Austria ... Sch. 18	Indonesia .. Rp 2500	Portugal ... Esc 80
Bahrain .. Din.0.650	Italy .... L 1300	S. Arabia .. Rls 5.00
Belgium .... BFr 42	Japan Y550	Singapore . S$ 4.10
Canada .... C$1.00	Jordan Fils.500	Spain ..... Pta 110
Cyprus .... C£0.60	Kuwait Fils.500	Sri Lanka ... Rup 30
Denmark .. Dkr.7.25	Lebanon .. £L 8.00	Sweden .. Skr 8 50
Egypt .... E£1.00	Luxembourg . LFr 42	Switzerland SFr 2.20
Finland .. Fmk 5.00	Malaysia .. Rin 4.25	Taiwan ... NT $65
France .. FFr. 6.00	Mexico .. Pes. 300	Tunisia .. Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 210
Greece ...... Dr 70	Netherlands . Fl 2.50	U.A.E. ... Dh 0.50
Hong Kong . HK$ 12	Norway .. Nkr 6.00	U.S.A. $1 00
India ..... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,666 — Thursday July 4 1985 — D 8523 B

Gorbachev tightens grip on Soviet economy, Page 16

World news — Business summary

Syrians warn U.S. against retaliation

Syria offered to help secure the release of 12 foreign nationals still held in Lebanon but warned that American retaliation over the hijack of the TWA airliner could sharply reduce its chances of success.

The Syrian offer, made indirectly through contacts with foreign diplomats in Damascus, follows qualified American gratitude for Syrian assistance in ending the ordeal of the 39 American hostages last Sunday.

Israel yesterday freed 300 of the 735 Lebanese prisoners whose release was demanded by the TWA hijackers. The Lebanese had been held in Israel since April when they were transferred from Lebanon.

The U.S. is considering offering a reward of up to $500,000 for information leading to the arrest of the men who hijacked TWA flight 847. Page 18

Airline attackers

Two underground groups claimed responsibility for Monday's bomb attacks on U.S., British and Jordanian airline offices in Madrid, which killed one and wounded 28.

Bank secrets stay

Switzerland formally rejected proposals from the Organisation for Economic Co-operation and Development for a relaxation of banking secrecy rules to help to counter international tax evasion. Page 2

Rocket recovery fails

Efforts to recover for the first time part of an Ariane rocket from the sea after yesterday's successful launch of the Giotto satellite have failed.

Tunisia trade effort

Tunisia wants to improve its ties with the European Community to boost its exports to Europe after the admission of Spain and Portugal to the Community next year.

Car imports pact

Quotas on Japanese car imports to Canada are to be replaced by an "understanding" limiting sales of Japanese models to about 18 per cent of the Canadian market this year.

Soviet call

The Soviet leadership called for stable and constructive relations with Washington in a message for America's July 4 independence day.

Congress delayed

Cuba's ruling Communist Party announced a two-month postponement of the congress it holds every five years in a surprise move which diplomats said showed friction over government changes.

Extradition treaty

British criminals on the run may soon lose their comfortable refuge facilities in Spain after a Madrid Cabinet meeting which was expected to finalise a new extradition treaty between the two countries.

Strike blocks airport

A strike by firemen at Sydney airport has stopped most flights and stranded thousands of passengers, airline officials said.

Loan refused

Philippine Prime Minister Cesar Virata said one of the 483 creditor banks had refused to sign a $925m loan needed for the country's economic recovery.

McEnroe defeat

Wimbledon champion John McEnroe, odds-on favourite to regain the title, was crushed 2-6, 2-6, 3-6 by Kevin Curren, South African-born but now a U.S. citizen, in a quarter-final that lasted only 1h 48min.

Ford to invest £157m in UK

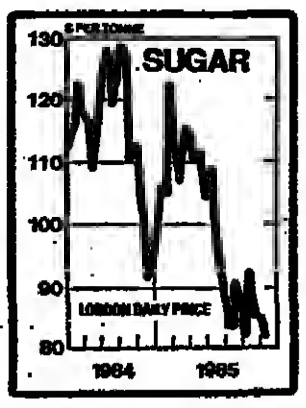
FORD announced a £157m ($205m) investment in manufacturing facilities at Dagenham, near London, to produce a "third generation," lean burn car engine from 1987. Page 18

WALL STREET: The Dow Jones industrial average closed down 7.62 at 1,328.39. Page 36

DOLLAR drifted lower in London trading, closing at DM 3.034 (DM 3.045), FFr 9.2375 (FFr 9.27), SwFr 2.542 (SwFr 2.547) and Y248.0 (Y248.3). On Bank of England figures, the dollar's index declined to 143.7 from 144.3. Page 29

STERLING was firmer in London, gaining 0.75 cents against the dollar to $1.312. It also improved to DM 3.9825 (DM 3.9725), FFr 12.11 (FFr 12.085), SwFr 3.335 (SwFr 3.3225) and Y325.25 (Y324.0). The pound's exchange rate rose 0.4 to $81.3. Page 29

GOLD: In New York the Comex August settlement was $311.40. Gold rose $1.50 on the London bullion market to $310.50 and $2.10 in Zurich to $310.75. Page 28



SUGAR'S daily price in London was cut by $2 to $82 a tonne, the lowest level since last August. The price was set before news that the EEC had authorised unexpectedly high exports, a factor which depressed futures prices initially, though they rallied to close slightly higher. Page 28

LONDON equities were hit by further setbacks in the electronics sector and the FT Ordinary index dropped 12.0 to 942.3. Gilts were mixed. Page 36

TOKYO shares hit a record high on strong speculative buying. The Nikkei-Dow market average rose 10.55 to a peak 12,924.30. Page 36

CREDIT SUISSE First Boston launched a $150m Eurobond for Metropolitan Life Insurance, the second largest U.S. insurance company. Page 19

SOCIÉTÉ GÉNÉRALE, third largest French nationalised bank, launched a bid to take over Banque Hypothecaire, Européene, the French specialised credit bank. The bid places a value on the bank of around FFr 420m ($45.36m). Page 19

CONTROVERSIAL purchase of British aircraft by Leeward Islands Air Transport based in Antigua, is to be re-examined by the airlines' shareholders, the governments which make up the Caribbean Economic Community.

AT&T of the U.S. said its entry into the Japanese telecommunications market, planned with as many as 18 local partners, would offer a service connecting otherwise incompatible computer systems over a public network. Page 29

PHILLIPS PETROLEUM, the Oklahoma-based oil company, has agreed to sell $140m of assets and has received "strong interest" in the planned sale of another $800m of assets. Page 19

HOECHST, West German chemical group, has completed a major deal in the U.S. with the purchase of a 74 per cent stake in Hercofina, a manufacturer of substances used in making polyester products, for an undisclosed sum. Page 19

Arms control likely to dominate Geneva summit

PRESIDENT Ronald Reagan and Mr Mikhail Gorbachev will be relying on diplomatic contacts to set the agenda for their summit in November, although both leaders expect arms control to be a dominant issue, write **Patrick Cockburn in Moscow, and Reginald Dale in Washington.**

This emerged from briefings given in both Washington and Moscow last night to confirm formally the fact that the summit will take place in Geneva on November 19 and 20.

Mr George Shultz, the U.S. Secretary of State, said yesterday that Mr Reagan hoped for "a serious, substantive" discussion of issues dividing the superpowers, in addition to getting acquainted with Mr Gorbachev.

Mr Shultz said that it would be a "difficult problem" to develop U.S.-Soviet relations in a more constructive manner and that the U.S. had "no illusions" about the distance between the two countries and their political systems.

If the meeting was successful, however, he hoped that it would lead to an "agenda for the future" that would lay the basis for practical steps to improve the superpower relationship. White House officials yesterday also cautioned against excessive hopes for major breakthroughs at the meeting.

Mr Shultz said that no agenda for the talks had been worked out and that there would now be extensive diplomatic contacts to prepare the meeting. He expected to meet Mr Eduard Shevardnadze, the new Soviet Foreign Minister, in Helsinki at the end of this month and again at the UN General Assembly in New York in September.

Mr Vladimir Lomeiko, the Soviet offical spokesman, said in confirmation last night: "All that has been agreed so far is when and where the meeting will take place. Other issues be decided in the near future."

Mr Shultz added that the U.S. had always had a four-part agenda for its dealings with the Soviet Union, covering arms control, bilateral problems, regional issues such as Afghanistan, and human rights. This would have to be squared with Soviet wishes, he said.

The U.S. was still hoping for progress in the deadlocked Geneva arms talks, but Mr Shultz rejected the idea that the approach of the summit would put extra pressure on the U.S. to change its position or make concessions. The U.S. remained ready for give and take in Geneva, be said, but nothing in the negotiations so far suggested that progress was likely.

The Soviet Unioo is not linking progress in the present Geneva disarmament talks with the holding of the summit. Mr Lomeiko implied thet it was in the interests of neither side to do anything to prevent the meeting

The timing of the announcement of the visit by Mr Gorbachev to Geneva indicates that he wanted first to clear the decision with the 300-strong Communist Party central committee which met in Moscow on Monday.

The summit with President Reagan will increase Mr Gorbachev's already very high profile in the Soviet Union, but the Soviet spokesman could not say yesterday if he will be accompanied by President Andrei Gromyko or by Mr Shevardnadze.

David Marsh adds from Paris: Mr Gorbachev is to visit France between October 2 and 5, six weeks before he meets President Reagan.

The announcement, made simultaneously in Paris and Moscow yesterday, confirms the recent warming of Franco-Soviet relations following earlier strains after President François Mitterrand came to power.

The visit to Paris will mark the Soviet leader's first western trip since taking power. M Roland Dumas, the Foreign Minister, said yesterday that Mr Gorbachev's decision to see M Mitterrand before Mr Reagan showed the Soviets' "mark of interest" in France.

UK electronics shares fall as STC reveals first-half loss

BY GUY DE JONQUIERES IN LONDON

STC, the British electronics and computer group, said yesterday that it would report an attributable loss for the first half of this year. The announcement dealt another severe blow to share prices of UK electronics and electrical groups.

A fall in first-half results at STC, 24 per cent owned by ITT of the U.S., had been widely expected in London, but its share price plummeted 26p to close at 112p yesterday. Share prices of many other electronics companies also fell sharply in London.

STC, formerly Standard Telephones and Cables, blamed "a marked deterioration" in trading conditions since February and exchange rate fluctuations. It expected "very much lower operating profits" for the first half and would show a loss after charging extraordinary costs. STC is due to report its first-half results on August 9.

On Monday, Thorn EMI, the large UK consumer electronics and entertainment company, said its results for the year ended March 31, due out tomorrow, would be down on the previous year, and Mr Peter Laister resigned as its chairman and chief executive.

Racal Electronics has warned that profits during its current six monthe will be lower than a year earlier. The General Electric Company (GEC) also disappointed tha London market this week by reporting an 8 per cent rise in full-year profits, helped by a 25 per cent increase in income from its £1.4bn ($1.82bn) cash mountain.

STC plans to maintain its interim dividend at the same level as last year and hopes to recommend an unchanged final dividend, despite the latest setback. The interim dividend last year was 3.25p and the final payment was 5.75p.

The company's pre-tax profits rose 23 per cent to £52.2m in the first half of last year on turnover of £517m. Pre-tax profits for the full year were £140.8m, up from £138.8m in 1983 and included a £43.4m full-year contribution from computer maker ICL, which STC acquired for £411m last August.

ICL is said to have performed satisfactorily in the past six months, but there has been a sharp deterioration in other STC businesses, notably component productioa and telecommunications equipment.

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BRITISH ELECTRONICS GROUPS' SHARE PRICES

Stock	Price on May 31	Yesterday's price	Change on day	1985 High	1985 Low
Ferranti	130	114	−4	184	104
GEC	184	158	−8	220	156
Plessey	142	118	−8	212	118
Racal	188	126	−6	288	124
STC	170	112	−26	289	112
Thorn EMI	463	329	−31	484	325

U.S. oil services group may default

By William Hall in New York

GLOBAL MARINE, which owns one of the world's biggest offshore drilling fleets, is on the verge of defaulting on over $1bn of long-term debt as a result of the slump in the oil services industry.

The Houston-based company said yesterday that it was suspending all interest and principal payments on its long-term debt, effective July 1, pending a restructuring of its long-term debt.

About two thirds of the company's $1bn of long-term debt is owed to foreign banks, export credit agencies in Canada and Finland and institutions. The company said in May that unless it restructured its debt it expected to run short of cash either later this year or by early 1986.

On Wall Street, Global's shares fell another $¾ to $1¾. At their peak, the shares had traded as high as $36.

The company said yesterday that it had more than $90m of cash, was still paying its trade debts and would continue to do so. Because of the suspension of long-term debt payments, however, it expected that it would be in default next week on several payments due in early July and that additional defaults would occur during July and August.

Global is seeking waivers from its secured lenders for such non-payments and other conditions of default until a restructuring plan is in place. It is due to make a $10m interest payment on its publicly traded debt securities.

Global's action is the latest and most significant sign of the severe pressure facing many companies in the oil services industry which had borrowed heavily to finance expan-

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Phillips Petroleum sells assets, Page 19

Trafalgar to boost building role with John Brown stake

BY IAN RODGER IN LONDON

TRAFALGAR HOUSE of the UK is taking a 29.9 per cent stake in John Brown, the process plant engineering group, as part of a strategy to become Britain's leading international engineering and construction group.

"We want a very strong international construction business to compete with the Koreans, the Japanese and the French," Mr Eric Parker, Trafalgar's managing director, said yesterday. "We do not just want to win international business. We want to bring work back into the UK."

Trafalgar, whose other interests include the Cunard shipping group, already has substantial international civil engineering subsidiaries, including Cementation and Cleveland Bridge. John Brown specialises in designing chemical and pharmaceutical plants.

Trafalgar's investment in John Brown is part of a £70m ($91m) financial reconstruction of the debt laden group. The reconstruction also includes an underwritten £12.6m rights issue and an agreement by John Brown's leading banks to convert $37.2m of their loans into preference and ordinary shares. Brown's net borrowings will fall from 325 per cent of shareholders' funds to 45 per cent as a result.

Brown, formerly a leading machine tool, process plant contracting and gas turbine group, ran into financial trouble in 1982 when a slump in orders followed a heavy borrowing programme to finance acquisitions. It has suffered losses of more than £75m in the past four years and has sold many subsidiaries, including its U.K. machine tool companies.

It made a pre-tax profit of £1.1m in the year to March 31, 1985, its first in three years, and Sir John Cuckney, the chairman, said the current year's results would show further improvement.

John Brown shares rose 1p yesterday to 33p following the announcement and Trafalgar's shares fell 1p to 333p.

Sir John said that from the time be became chairman of Brown in 1983, it was clear that a financial reconstruction was going to be necessary at some point. He argued that the associatioa with Trafalgar, which be had sought, provided the group with more favourable terms than if it had carried out a reconstruction on its own.

However, the main impetus for the deal was the conviction of the John Brown directors that the group needed to be part of a larger organisation if it was to remain competitive in the international process plant engineering field. Sir John said Brown's expertise in many areas was strong, but its ability to compete for large contracts was hampered by its relatively small size and weak finances.

"We have become convinced that we oeeded not only capital, but also a strong associate partner," Sir John said. "We identified Trafalgar House as having all the requirements and strengths needed, and so we approached them."

Mr Eric Parker, managing director of Trafalgar House, said the group's investment in John Brown was "long term." He anticipated no

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Moran is first casualty of Madrid reshuffle

By Tom Burns in Madrid

SR Fernaodo Moran, the Spanish Foreign Minister, was dropped from the Government yesterday to become the first casualty of a Cabinet reshuffle that was promised last week by Prime Minister Felipe González.

Sr Moran's replacemeot in the Foreign Ministry is due to be announced today, with the complete details of the new Government.

The Foreign Minister's resignation comes after remarkable achievements within the past year during which be negotiated Spain's entry into the European Community and broke the deadlock over the Gibraltar dispute with Britain.

The main reason for Sr Moran's departure is understood to be the Prime Minister's determination to bave a Foreign Ministry that is fully supportive of Spain's cootioued membership of Nato.

Although Sr Moran never publicly opposed Sr González's growing enthusiasm for the Atlaotic Alliance, he was well known for his neutral and aoo-aligned sympathies. The Prime Minister is committed to bolding a referendum early next year on the Nato membership issue and is seeking to swing public opinion behind bis preseot stand of cootinued membership.

Sr Moran, aged 59 and by far the oldest member of the outgoing Cabinet, is a career diplomat who often appeared the odd man out ia a Governmeot formed by close associates of Sr González. Before he gained a deserved popularity oa account of the EEC and Gibraltar breakthoughs be was mercilessly lampooned, figuring in a seemingly endless spate of "moran" jokes.

The object of the reshuffle, according to government sources, is to create a "new look" cabinet that will be closely identified with the Prime Minister's pro-Europeanism and his blend of pragmatic and moderate Socialism. Unlike his Cabinet colleagues, who have followed the Prime Minister's lead and jumped aboard the Social-Democrat wagon, Sr Moran never hid the fact that he was an intellectual Marxist.

For all his "softness" on Nato, Sr Moran proved to be an outstanding Foreign Minister over other issues. He instinctively understood, in a way in which other Government members did oot, that it was necessary to mend fences with France if Spain's bopes of ever joining the European Community were to be realised.

Hopes for accord with Algeria, Page 2

CBS raises debt to foil bid

BY TERRY DODSWORTH IN NEW YORK

CBS, the U.S. broadcasting group, yesterday stepped up its defensive campaign against Mr Ted Turner, the Atlanta broadcaster, with a share buy-back for 21 per cent of its stock aimed at making the company a more expensive takeover proposition.

As part of the defensive strategy the buy-back will include the issue of preference stock which imposes limits on additional debt to be incurred by CBS, and will be followed by $300m of assets sales.

Analysts in New York immediately described the CBS move as an extremely effective defence against Mr Turner's bid, which is based on the exchange of debt securities for CBS's shares.

The broadcasting group has argued vigorously in the past that the borrowings demanded by the Turner offer would be virtually impossible to service from CBS's projected cash flow.

It is now taking these objections a step further, however, by trying to throw up a barrier on further borrowings by means of the conditions attached to the new preference shares. These state that the company would not take any action that would result in the ratio of debt to adjusted book value exceeding 0.75 to 1 per cent.

"The restrictions in the credit agreement and the terms of the preference stock may impede the consummation of the Turner Broadcasting Systems offer and could also deter certain other persons from attempting to acquire control of the company with the company's own assets and cash flow," CBS said in a proxy statement.

Under the CBS offer shareholders will receive $150 a share, made up of $40 in cash and $110 a share in 10⅞ per cent senior notes due in 1995.

Turner broadcasting has claimed that its own bid for CBS is worth $175 a share, but analysts have generally put a value of well below $150 a share on the package of securities he is proposing to issue for the company. In heavy trading on the New York Stock Exchange yesterday, CBS shares rose by $2¼ to $119¾.

Apart from forming part of the defence mechanism, the preference stock is being issued to raise $123m for the cash portion of the share repurchase. The other $137m of cash will be raised through short-term borrowings, some of which will be paid off through the assets sales.

The additional debt incurred by CBS as a result of the whole transaction will amount to around $1bn, leaving the company with total debt of $1.3bn – another substantial deterrent to a takeover. As a result of the new debt commitments, however, Standard & Poor's, one of the leading U.S. rating agencies, said that it would lower its ratings on the group's senior debt to a minus from triple A if the transaction were completed. S&P said that CBS's ratio of debt to capital would amount to around 65 per cent.

CONTENTS

Socialists support French N-defence of West Germany

BY DAVID HOUSEGO IN PARIS

THE FRENCH Socialist Party yesterday modified its defence doctrine by asserting that the French nuclear deterrent should be used to defend West Germany as well as France.

The shift came under immediate attack from the French Communist Party—one of the most pro-Soviet in Western Europe—which accused the Socialists of sacrificing national sovereignty by linking French interests to a country subordinated to the Nato military command.

The change in Socialist doctrine comes in the wake of similar changes towards a more European defence concept by the main opposition parties. It also reflects the less clearly spelt out shift in French government policy

The key passage in the text adopted by the Socialist party's executive committee says that France "has an interest, which will continue to grow . . . in adapting its nuclear deterrent and defence strategy to the advantage of Western Europe." Above all, the text says French policy should be adapted to the benefit of West Germany "the most vulnerable" country in West Europe.

The change in Socialist thinking in part reflects tactical considerations aimed at removing defence from the 1986 parliamentary election campaign. The opposition has already claimed that Socialist "underspending" on defence has left gaps in French security—charges in part born out by recent statements from General Jeannou Lacaze, the chief of the general staff, that the armed forces will be severely short of equipment.

But the more European defence concept also reflects an increasingly widespread belief that French security is indissolubly linked to that of West Germany, and that French reluctance to state unambiguously that it will come to West Germany's assistance is likely to provoke neutralist sentiments in that country. Added to this is what General Lacaze insisted recently was the imperative need for Europe to co-ordinate its equipment manufacture.

The denunciation by the Communists paradoxically leaves them as the sole exponents of Gaullist orthodoxy on an independent national defence strategy. L'Humanite, the Communist daily newspaper, said yesterday that for France to go to war for West Germany was to link France to a country which was "tightly subordinated to Nato's military command."

Madrid hopes accord with Algeria will boost trade

BY OUR MADRID CORRESPONDENT

A SPANISH-ALGERIAN economic and industrial co-operation accord, reached yesterday at the end of a three-day visit here by President Bendjedid Chadli, has been hailed by Spanish officials as a breakthrough that would rapidly stimulate trade between the two countries.

Sr Fernando Moran, the Foreign Minister, who signed the accord with his opposite number, Mr Taleb Ibrahimi, forecast that the volume of Spanish trade to Algeria would stand by the end of next year at the 1982 level of $700m. After 1982, a dispute over Spanish imports of Algerian gas cut Spain's exports to Algeria by more than a third.

Yesterday's agreement was preceded by the settlement of the dispute last February and by Spain's payment to Algeria last week of $250m as the first instalment of compensation due on contracted natural gas which Spain had failed to lift.

In the past three years, Spanish companies have found themselves increasingly cold-shouldered in Algeria. The co-operation agreement seeks to correct the trade balance and to offset the cost of the compensation and of an increased price for future imports of Algerian liquified natural gas.

Potential Spanish exports to Algeria range from trucks, tractors and railway engines, to housing projects and industrial plants for the white goods sector.

Lisbon's drive to boost economy pleases IMF

BY DIANA SMITH IN LISBON

THE International Monetary Fund (IMF) is pleased with the results of the drive by Sr Mario Soares' Government to correct damaging external account deficits, reduce inflation and prepare Portugal for economic recovery.

After a recent visit to Lisbon, IMF representatives are drawing up a report indicating the Fund's satisfaction with figures that show monthly balance-of-payments surpluses on the current account for March and April, a major drop in inflation and a pick-up in industrial and trade indicators from April onwards.

But senior Portuguese financial officials worry that the depressive effects of nearly two years of necessary but punitive austerity will linger beyond what is good for a small, weak economy.

Nevertheless, the results are solid. The work done by Sr Ernani Lopes, Finance Minister, the Bank of Portugal and other key ministries, has brought the economy into a condition where it will be hard to repeat the damage of the years 1980-83.

Not only a fall-off in imports—a 6 per cent drop in volume in the first quarter—but sustained export growth—14.5 per cent in volume in the first quarter—has helped the balance of payments. Tourism is booming and emigrants' remittances, a major source of invisible earnings, have picked up

Foreign debt growth has slowed as balance-of-payments deficits have shrunk to $1.8bn in 1983, and $460m in 1984.

Swiss reject OECD move to relax banking secrecy

BY DAVID MARSH IN PARIS

SWITZERLAND YESTERDAY formally rejected proposals from the Paris-based Organisation for Economic Co-operation and Development suggesting a relaxation of banking secrecy rules to help counter international tax evasion.

The Swiss decision, made together with Austria and Luxembourg which also have relatively tight bank secrecy regulations, brought into the open a conflict which has been simmering for several years among international tax authorities.

In particular, the U.S., backed by other countries including Britain and Scandinavian nations, had been trying to use the forum of the OECD to persuade Switzerland to relax its secrecy rules to track down large sums of money claimed to escape fiscal authorities through the international banking system.

At a news conference yesterday which marked Switzerland's strongest ever public disagreement with the 24-nation OECD, Mr Jean Zwahlen, the country's ambassador to the Organisation, politely but firmly rejected an OECD report on tax avoidance as presenting a caricature of the unfavourable aspects of banking secrecy.

The report, from the OECD's committee on fiscal affairs, which groups tax specialists from all member countries, was approved for publication by the OECD Council yesterday.

It proposes that countries' tax authorities should make greater efforts to obtain information from banks about clients' tax matters in cases where abuse of secrecy might be taking place. Such information should also be exchanged among the authorities themselves, subject to certain conditions.

Mr Zwahlen said that Switzerland had already made efforts in recent years to help foreign tax authorities in cases where banking secrecy was abused in connection with crime.

But, he stated, Switzerland would refuse to accept any of the report's propositions. Crucially, these would tend to diminish the distinction made by Berne between tax fraud—counted as a crime—and evasion, which is not.

The original draft of the report urged OECD member states to modify secrecy legislation in cases where this would help rectify abuse to escape taxation. This recommendation—even though "sensible and moderate," according to a U.S. official last night—was dropped at the insistence of the Swiss in order to reduce the chance of even greater discord over the report.

Mr Zwahlen admitted that Switzerland was relatively isolated within the OECD over the tax issue but said that other countries, too, had reservations about the report. He described it as not being up to the "scientific quality" of normal OECD documents.

The U.S. and other countries are now hoping that further consideration by the fiscal affairs committee might allow more common ground to be found. But there was some embarrassment at the OECD last night that the issue had become an open sign of division in its ranks.

Cossiga calls for reforms

By James Buxton in Rome

ITALY'S new head of state, Sig Francesco Cossiga, yesterday urged reform of the country's creaking governing institutions and of its notoriously inefficient public administration in his speech following his swearing in as President of the republic.

He called on Parliament to press ahead with working out ways of modernising the system under which the country is run, which has been increasingly recognised in recent years as cumbersome and inefficient.

He also called on the civil service and local administrations not only to be honest in their dealings with ordinary people but to use clear and intelligible language and to develop a sense of service.

"We must remember that the citizen comes into contact with the state via the civil service, and often this contact is disappointing and frustrating . . . it is unthinkable that a modern industrial democracy can act and make progress with a public administration that is neither efficient nor orderly."

The new President was elected on the first ballot last week to replace 88-year-old President Sandro Pertini, who stepped down at the weekend. Sig Cossiga, who formally resigned from the Christian Democrat Party after his election, undertook to be the President of all the Italian people.

His half-hour speech to Parliament reflected the new confidence of a country which in the past few years has defeated terrorism and begun to bring its economic problems under control.

But, he said, the country's *two most serious challenges* were unemployment and the backwardness of the south. They were problems which could be solved only by the state and the people acting together.

Now that President Cossiga's seven-year term of office has formally begun, Sig Bettino Craxi, the Socialist Prime Minister, is expected today to offer his government's resignation. This is expected to be rejected, and there is likely to be a period of intense discussion as the political parties agree on a new programme for the Government, which has already lasted almost two years, and on a change of some posts in the 30-strong cabinet.

Commission president attempts to square the circle

BY PAUL CHEESERIGHT IN BRUSSELS

M Jacques Delors: "We will try to see what the countries can accept. It is not up to us to cut through things in a brutal fashion."

THE EUROPEAN Commission yesterday mounted two diplomatic horses which over the next few weeks could run in different directions.

In the aftermath of last weekend's Milan EEC summit, it is planning to try to placate the UK, Denmark and Greece who are against changes in the Treaty of Rome, which established and provides the legal basis for the running of the Community. At the same time, it will prepare new proposals on the running of the EEC which go further than those it has advocated in the past and have already been cold-shouldered by the UK, Denmark and Greece.

These two approaches were put forward by M Jacques Delors, the president of the Commission, during an analysis of the Milan summit and an outline of Commission priorities in the light of the failure of the summit to embrace a quicker and cleaner form of EEC decision-making.

Against the wishes of the UK, Denmark and Ireland, the summit decided to convene an inter-governmental conference. This would consider amendments to the Treaty of Rome that could involve restrictions on the use of the national veto, new powers for the Commission and the European Parliament, and a separate foreign and security policy treaty.

As far as the three countries are concerned, M Delors said, "we will try to see what they can accept. It is not up to us to cut through things in a brutal fashion." The Commission, he noted, is a Commission for 10 countries.

But it is also the policy proposal unit of the EEC, and in this connection it had wanted immediate introduction of majority voting for measures dealing with the freedom of establishment of the liberal professions and for the harmonisation of different national laws.

Later, the Commission has suggested, majority voting should become the rule and the need for unanimity the exception.

M Delors said the Commission would go beyond this, in which case he would appear to be opening up a gulf between his position and that of the countries he seeks to reconcile—none of which deny the need for more efficient decision-making.

At the same time the Commission will present proposals to extend the competence of the Community in line with the report of the Dooge committee. This is EEC jargon for new moves towards European union in line with a committee set up after the 1984 Fontainebleau summit.

But, on that committee, the UK, Denmark and Greece were also more cautious than the other seven about institutional and political change.

A further area where the Commission intends to act is in stopping the separation of economic and political affairs within the Community. The UK has sought to solidify that separation by establishing a political secretariat.

All of these ideas, the Commission intends to throw into the inter-governmental conference — "in good time," as M Delors put it, "so they have the best chance of avoiding paralysis."

Warsaw delays signing of debt agreement

BY CHRISTOPHER BOBINSKI IN WARSAW

PROGRESS ON completing the long delayed agreement rescheduling $12bn-worth of Polish debts owed to Western governments is still held up as the Polish negotiating team waits for formal permission from Warsaw to sign the deal.

The agreement with Poland's main 17 Western government creditorss, grouped in the Paris club, was initialled last January on the understanding that it would be signed by the end of June. It reschedules capital and interest payments which fell due between 1982 and 1984 over 11 years, with a six-year grace period.

Poland has said it could not sign unless firm promises of fresh government credits were forthcoming, while Western creditors have insisted that signing should precede any consideration of the issue of new credit.

A Polish team was in Paris last week for informal talks on finding a way out of the resulting impasse and a tentative date around the middle of this month has been pencilled in for a signing ceremony, subject to the Polish Government's go-ahead.

The main problem is that once Poland signs, payments of interest totalling $1.3bn fall due this year, leaving Warsaw with an earnings gap of $1bn which it wants to fill with the new Western government credits.

The Poles, however, are now contemplating signing the agreement because both sides are willing to recognise formally that its terms can only be met if Western government credits become available. Warsaw also recognises that, once the accord is signed, talks on credits with Western countries will be easier.

"There is a proposal to sign the agreement without full guarantees and carry on the talks about credits. This is risky for both sides but it's difficult to see a better alternative at present," a Polish official commented yesterday.

According to the Ministry of Finance, the hard currency payment surplus after five months this year is running at the same level as in the same period in 1984, and the planned surplus for the year of up to $2bn is still within reach.

Nevertheless, if the rescheduling agreement is signed and new credits are not forthcoming, it is more than likely that some renegotiation of the terms of payment with the West will become necessary by the end of the year.

Jet crash link to bomb blast

By Our Dublin Correspondent

AN AIR INDIA official has admitted that a double booking may provide a link between the Boeing 747 crash off Ireland 10 days ago and the explosion in luggage from a Canadian Pacific aircraft which killed baggage handlers at Tokyo the same day.

Captain D. Bose, Air India's managing director, has revealed that one passenger had booked on both flights.

He said there was now no doubt that the 747 which crashed 100 miles off the south Irish coast had disintegrated in mid-air, and that it was a distinct possibility that a bomb was responsible. He ruled out structural failure or human error as the cause of the disaster, but only recovery of the aircraft's "black box" flight recorder could provide conclusive proof.

The arrival of a French recovery ship with sophisticated sonar equipment will help search for the recorder which is thought to be lying 6,000 ft below the surface, but Air India officials estimate the likelihood of recovering it as no more than 50-50.

The bodies of two victims have been flown to Canada and several others cremated in Dublin. About 70 victims have been identified, leaving just over 60 bodies to be named. A large number of relatives have now arrived in Cork to help with the process.

Austria will dismantle N-plant

BY PATRICK BLUM IN VIENNA

AUSTRIA'S only nuclear power plant will be dismantled barring a highly improbable government decision in the next few days to save it. The plant, at Zwentendorf near Vienna, was completed in 1978 but never used because a referendum in the same year came out against commissioning it.

After many months of manoeuvring, the Government is no longer expected to take any new initiative to save the plant which cost about Sch 10bn (£360m) to build. Several hundred million schillings were also spent having it mothballed and kept in working condition.

Dr Fred Sinowatz, the Austrian Chancellor, has tried repeatedly to overcome disagreements within the Government and constitutional obstacles to putting the plant into operation. The Socialist Party, dominant partner in the coalition Government, is broadly in favour of starting up the plant to work, but the small Freedom Party with which it shares power has obstinately stuck to its opposition to nuclear power.

The conservative People's Party which says it favours nuclear power, has nevertheless denied the Chancellor any way out of the deadlock by refusing to support a free vote in Parliament on holding another referendum. Recent opinion polls suggest that there is now a clear majority in favour of nuclear power in Austria.

Shareholders of the operating company for the plant, Gemeinschaftkraftwerk Tullnerfeld (GKT), will meet on July 18 to take what is expected to be a formal decision to dismantle the plant. They will examine proposals from three companies, Bechtel of the U.S., Electrowatt of Switzerland, and Maison Lazard, the French investment bank, on the technical feasibility of dismantling the plant and selling it

GKT would have to pay for the dismantling but hopes to recoup some of the costs through the sale. The plant is of the boiling water reactor type and although it is now seven years old, it is thought that a market could be found for at least part of it.

Herr Walter Fremuth, head of the national electricity company, which has a dominant 50 per cent share in GKT, said yesterday that it is now only a question of deciding whether to sell the plant complete

Papandreou cuts number of ministries

By Andriana Ierodiaconou in Athens

THE GREEK Socialist Government tabled a Bill in Parliament yesterday which merges and restructures existing ministers with the aim of achieving a more flexible and efficient administration. The Socialists had promised to draw up the Bill for a more compact and efficient government structure after winning the general election on June 2.

A cabinet change to match names to the new ministries is expected later this month, but, for the moment, the key feature of the Bill is the reduction of 26 ministries to about 20.

The main ministries to be abolished are: Merchant Marine, which is taken over by the Ministry of National Economy; Public Order which is subsumed into the Interior Ministry; Social Welfare, which is merged with Health; and Public Works, which is incorporated into the Ministry of the Environment.

The Bill leaves untouched the Defence Ministry, a portfolio held by the Prime Minister, Mr Adreas Papandreou, as well as the Foreign Ministry. It foresees, however, a new Ministry of the Aegean to be responsible for the sensitive island border area with Turkey.

The *Ministry* of National Economy is to take over the executive functions of the Ministry of Commerce as well as executive decisions on industry. It will also be responsible for the merchant marine, which will now be a general secretariat, and tourism.

The Commerce Ministry, however, will remain in existence and take over external trade from the Ministry of National Economy. A new Ministry of Industry, Energy and Natural Resources is to be set up.

Under the Bill four inter-ministerial councils will become a permanent feature of government. The Government Council will be responsible for drawing up overall policy, the Council for Foreign Policy and National Defence will be responsible for external relations and defence. There will also be a Higher Council of Economic Policy, as well as a Committee for Wages and Prices.

A grand old man of West Germany's aircraft industry discusses his latest project with **Peter Bruce**

Dornier survives stormy seas in his flying boat

HERR CLAUDIUS DORNIER is 71 years of age and has, he says, "a few other thing I want to do." This is an understatement. One of the "few things" involves persuading the West to build a flying boat capable of carrying a 500-tonne payload—more than five times the payload of Nato's biggest cargo aircraft, the American C5 Galaxy.

"My father became famous building seaplanes. He always believed they had a great future." The father, Herr Claude Dornier, was one of Germany's greatest aircraft builders, a man who learned his craft at the side of Graf Zeppelin before the First World War.

Now, the eldest of his six sons is probably one of the last real romantics left in the European aircraft business. In 1981, when Herr Cladius Dornier was overthrown as head of the family aircraft company, Dornier, by some of his brothers, he marched off proclaiming to the amusement of many experts that he intended producing, from scratch, a new commercial seaplane.

Herr Dornier found a friend, an aluminium ladder manufacturer, who had space in his factory where his aircraft, the Seastar, was built. It flew for the first time near Hamburg on August 17 last year. It cost him DM 8m (£2m).

"I did it myself," he says. "Dornier didn't help me. That was my brother, Justus, who wanted to punish me for having a good idea."

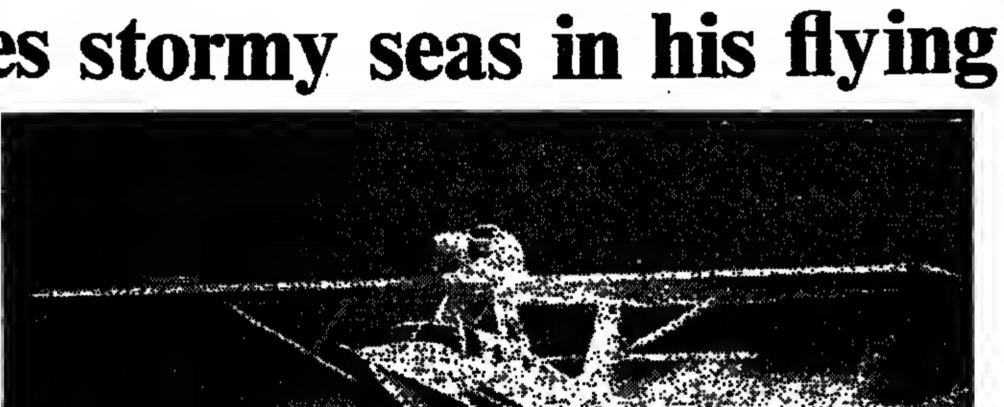
It was "good ideas" like seaplanes that got him into trouble at Dornier in the first place. When he tried to revive some of his father's ideas about seaplanes after his death 10 years ago, the brothers branded Claudius Dornier boring and outdated.

Claude's ghost is never far from his son. The Seastar bears a remarkable resemblance to an aircraft Dornier designed in the 1920s, the Whale. In fact, Claudius Dornier will tell you that the hull of his Seastar is identical in almost every detail to the Whale's.

He insists this is not just being sentimental: "Let them think that: they'll see. If I wasn't convinced I would not build it." Herr Dornier, to prove he is not to be trifled with, recently made one of the country's most powerful companies, Daimler Benz, look silly.

It began a few months ago after it had become clear that Herr Claudius Dornier's departure from the family company had, if anything, increased the conflicts about how to run it among the remaining brothers. Daimler Benz made a bid, in conjunction with the state government of Baden Wurttemberg, to buy Dornier.

At the end of last April, Daimler and the Government announced they had won agreement from the family for the sale. Claudius Dornier, however, had left the negotiation session early, complaining he was tired. He emerged three days later at a private press conference in a Munich hotel to say that, no, Daimler had not bought Dornier yet because he had not agreed to it. His shares, under the company's constitution, gave him first refusal on any stock sold by other members of the family.



Seastar: Claudius Dornier's flying boat goes through its paces near Hamburg last year

Daimler Benz wanted Dornier badly. The company has been described as a high-tech treasure trove and Claudius Dornier, claiming he wanted to keep it in the family, however fractious, tried to find funds to help him buy his brothers out.

He failed and appeared to have given up. Not quite, however. The final Daimler Benz announcement on Dornier conceded that Herr Dornier had not only been promised "certain support" for his Seastar project but had also won "certain minority rights" in the company, Dornier, that he had been forced to leave.

Herr Dornier will not comment on the Daimler deal and claims, though few believe him, that the "support" offered by Daimler in their rush to buy the company will make no real difference to the project's success. The 12-seater seaplane has, he says, already passed stringent structural tests and his real problem now is to find somewhere to build production models.

The Seastar is the first seaplane which Claudius Dornier can claim as his own, despite the inspiration he has drawn for it from his father. Now that he has a say in Dornier again, he also wants to revive a project to convert one of his father's old designs, the Dornier 24 seaplane, into an amphibian.

"The Do 24 saved thousands of German and Allied lives during the war. It could land in heavy seas but was never appreciated," he says. While he was still at Dornier the Government gave him DM 40m to convert it but "family differences interfered."

"Now I have more influence in the company we will see what we can do. I am not prepared to throw it away. I'll do it myself if I have to," says Herr Dornier.

He probably would, given enough time on this earth. When Charles Lindberg visited Germany in 1938, Claudius Dornier took him up in Do 24 and in return won a promise from Lindberg to look for a job for him in the U.S. In July 1939 Herr Dornier left for New York.

He studied in the U.S., worked for General Motors, and may have stayed had the war not intervened. He left for Argentina in January 1941 and lived there until 1946 when the Peronist Government anxious to appease the victorious Allies who suspected Buenos Aires of harbouring Nazis, flew him back to Germany and six months internment.

He returned later to Argentina but his father sent him to Spain in 1950, where one of Dornier's most successful aircraft, the Do27, was designed. When the Allies finally allowed aircraft production to resume in Germany in 1955, Herr Claudius Dornier came home for good.

If aviation has moved away from seaplanes since then, Herr Dornier affects not to notice: flying machines than land on water are his passion.

"You can't destroy water," he says, launching into a practised sales pitch. The Russians would bomb Western airfields first, then how could supplies be distributed? "Supply is everything. The airforce only wants a new fighter. Nobody thinks of supply."

"I need to find people who think the same. Nato would do it if they thought the Russians were doing it. Everybody wants to go into space, everybody wants a new fighter and nobody thinks about what they really need—and that is supply."

President Ronald Reagan's Strategic Defence Initiative bores him. "The flying ship is the way of the future. I'm not being sentimental."

Herr Claudius Dornier may just prove his point by selling the Seastar: someone offered to buy the prototype at the Paris air show last month. "There are already people in Jamaica who want some, but at the moment we have no competition so we don't want to talk too much about the damn thing and alert the others."

Prime Minister of Yugoslavia visits Moscow

By Aleksander Lebl in Belgrade

PRIME MINISTER Milka Planinc of Yugoslavia, who arrived yesterday in Moscow for a five-day official visit, is expected to be the first foreigner to be received by Mr Andrei Gromyko as the new Soviet President, as well as by Mr Mikhail Gorbachev, the party leader.

Mrs Planinc's visit to the Soviet Union, her first since she took office three years ago, is seen partly as a political counterbalance to her recent trip to Washington.

Yugoslavia is Communist, but non-aligned between East and West. However the Soviet Union is Yugoslavia's largest trading partner and key supplier of oil, gas, coking coal and iron ore, in return for Yugoslav-manufactured goods. Two-way trade, which totalled $35bn in 1981-5, is set to rise to $40bn in 1986-90.

Yugoslavia is not a member of Comecon.

Navy changes berth

The Royal Navy in Gibraltar is to move to new headquarters at a cost of more than £1.5m, writes Joseph Garcia. The site chosen, which is already in active military use, is Coaling Island on the same shoreline as the present headquarters. The navy will build workshops, a lookout and roads.

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1985.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

OVERSEAS NEWS

Israel considers ending pay indexation

By David Lennon in Tel Aviv

THE Israeli Treasury is preparing a follow-up plan to be implemented at the end of the three-month emergency economic stabilisation programme which the Cabinet approved on Monday.

The new plan will involve either abandoning the automatic linkage of wages and salaries to the cost of living index — something which many believe contributes greatly to Israel's inflation—or taking measures to stabilise the currency. These might include revaluing and possibly renaming the shekel, which could be linked to the dollar or a basket of currencies.

If the first stage of the economic programme succeeds in bringing about a significant reduction in the level of inflation, the Government will strive to maintain this achievement in the second stage programme, which is expected to last nine months.

The new measures adopted by the Cabinet on Monday include budget cuts, a devaluation, massive price increases and a compulsory three-month wage and price freeze. The aim of these measures is to stabilise the economy and bring inflation down to the level of 4 or 5 per cent a month.

The unions have protested that the main burden of the economic recovery programme falls on the shoulders of wage earners and are threatening strike action and other forms of non-co-operation if the Government insists on implementing its proposals.

At a meeting yesterday between officials of the Histatrut trades union federation and the Treasury, they failed to find any common ground in their discussions about compensation for employees before the wage freeze goes into effect. They also failed to resolve differences about the Government's intention to dismiss 10,000 civil servants and the use of emergency decrees to force these measures through.

It now seems likely that Mr Shimon Peres, the Prime Minister, will have to meet with Mr Israel Kessar, secretary general of the Histratut, to try to find a compromise position. If such a meeting also fails Mr Peres has said that he will go ahead and issue the emergency decrees.

Richard Johns previews likely topics for discussion by oil ministers meeting today in Vienna

Battles loom as Opec shares its shrinking cake

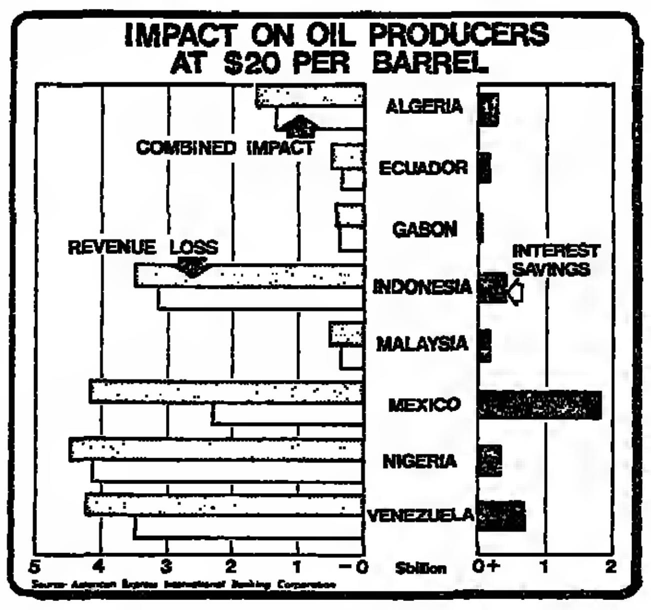
OVER THE past four years, as the Organisation of Petroleum Exporting Countries (Opec) has struggled to maintain prices in a market with an ever-diminishing appetite for its oil, it has survived a series of traumatic crises.

The ministerial conference starting in Vienna tomorrow could well surpass all previous others in terms of rancorous exchanges and cliff-banging suspense as delegations fight over shares of the shrinking cake. Opec, because of its ability to disagree and remain in being as an association, has defied predictions, often gleeful and malicious, of its demise.

Now the strains have become acute as combined output of the present 13 members has declined to the lowest level since 1965, a rate reckoned by leading oil companies at the end of June to be little more than 14m barrels a day, of which about 3m b/d is required for domestic consumption.

Opec has shown remarkable resilience in the past but it is probably true to say that the threat of disintegration and disolution has never been greater. It arises from the grave warnings by Saudi Arabia that its patience is reaching breaking point, that it is not prepared to continue bearing the brunt of the fall in demand.

This is not the least because Saudi Arabia is one of only three members faithfully adhering to official selling rates while others maximise their output by giving various forms of discounts and, in the process, undermine what is left of Opec's crumbling price structure. The implication is that it will unilaterally cut its prices if it is not accommodated.



Aligned in fierce bostility toward the kingdom are three producers of light crudes—Algeria, Libya and Iran together with insignificant Gabon—which refuse to contemplate any reduction in the prices of heavier crudes, in particular those of Saudi Arabia and Kuwait, as a means of enabling them to fulfill their quotas.

At the last full ministerial conference in Geneva in January, Saudi Arabia again undertook to play the role of "swing prodncer," accommodating any slack in demand below the collective ceiling of 16m b/d agreed last October and letting its own output fall accordingly. That, implicitly, would give the kingdom a maximum of 4.35m b/d (implicitly because it has always refused to discuss formally its output levels with other members of Opec) provided that other members observed their quotas and demand was sufficient for Opec to achieve as a whole.

As it is, consumption of Opec crude and refined products has fallen short of even this meagre total (only just over half the peak average reached in 1979) as a result of seasonal factors, the industry's ability to do without restocking despite the big rundown of inventories over the past year, and increased supplies from other sources.

Saudi output is down to only 2.4m b/d: 2.2m from the operations of the Arabian American Oil Company and 200,000, its entitlement from the Neutral Zone shared with Kuwait and over half of which is sold on behalf of Iraq as "war relief crude" in the form of a long-term loan aid.

The rate compares with one of nearly 5m b/d apparently presupposed (after taking account of other income) in the projections of Saudi Arabia's budgetary projections for 1985-86. These revenue projections set a balanced budget of Riyals 200bn (£42.6bn) having drawn $22bn from their foreign assets over the two previous years. It is believed that the Saudi Government has been running down its reserves at a rate of $1bn a month; but it appears to be overcoming most of the shortfall by the time-honoured expedient of delaying payments.

Saudi Arabia's reserves, estimated at anything from rather more than $100bn in value, might seem on the face of it adequate to cover such a deficit for several years. However, a significant proportion of them are in the form of loans to international organisations, developing countries and Iraq, so they are assets which could not be liquidated easily or at short notice.

But the size of Saudi Arabia's financial resources is such that Iran, Algeria and Libya believe it can well afford to continue the role of "swing producer." Indeed, for that reason the proportion of maximum output conceded to the kingdom under the present quota agreement—27 per cent of the total—is grotesquely large in relation to its population. This has been a source of resentment

A month ago Sheikh Ahmed Zaki Yamani Saudi Oil Minister, called for a reduction in the price of heavy crude, arguing that demand for fuel oil had fallen because of seasonal factors and the ending of the British miners' strike.

ESTIMATES OF OPEC CRUDE PRODUCTION

April-May 1985 (1,000 b/d)

	Quota	April	May
Algeria	663	625	600
Eucador	183	280	280
Gabon	137	150	150
Indonesia	1,189	1,300	1,200
Iran	2,300	2,200	1,800
Iraq	1,200	1,200	1,200
Kuwait	900	900	900
Libya	990	1,150	1,100
Nigeria	1,300	1,750	1,450
Qatar	280	300	300
Saudi Arabia	4,353*	3,250	2,500
UAE	950	1,100	1,050
Venezuela	1,555	1,600	1,600
Neutral Zone	—	400	400
Total	16,000	16,205	14,530

* Output planned to fluctuate in line with demand for Opec oil.

Source: Middle East Economic Survey

The rate for the kingdom's Arabian Heavy was raised in January by 50 cents to $26.50 a barrel because it was clearly under-valued. Arabian Light was lowered from $29 to $28 in the realignment of differentials which, Sheikh Yamani calculated, reduced the price of the average Opec barrel by 29 cents in terms of official selling rates.

Saudi Arabia has the support of Kuwait and Venezuela, the other members not offering discounts.

The changes of agreement with Algeria, Libya and Iran on prices seems impossible. Just how far Saudi Arabia is prepared to go remains to be seen.

Simple arithmetic shows that if it were to sell 4.35m b/d at $20 per barrel it would be much better off than selling 2.5m b/d at $27.33, the value of its present export "mix." That would start a price war with potentially catastrophic results for all of them, but which Saudi Arabia and Kuwait coud contemplate with equanimity and survive.

The most unlikely outcome is an unsatisfactory papering over of difference with the three maximalists dissenting, as they did in January, any agreement among the others to lower prices closer to market rates. In the present disarray, reaching agreement on a lower ceiling in line with reduced demand for Opec oil—the fundamental requirement for supporting prices—seems only a remote possibility and also a meaningless one in view of recent undisclpline.

Yen crude quotations, Page 4

Taiwanese held for trading with China

By Robert King in Taipei

THE TAIWAN Government policy of not interfering in indirect trade with China has been thrown into confusion by the arrests of three people for allegedly engaging in such trade.

The Taiwan Garrison Command, responsible for the island's internal security during the state of emergency declared almost 40 years ago, announced the arrest last week of three company officials who the command said had exported goods to Hong Kong knowing their ultimate destination was China.

Taiwan has for years prohibited all direct links with China, but has in recent years turned a blind eye to growing indirect trade links between the two nations. Recently, though, the Government took the unprecedented step of saying, in essence, that it did not care and would not try to find out where transhipped goods were headed. It thus appeared to give official sanction to the traffic.

Taiwan's exports to China, according to widely-varying estimates, ran anywhere from $500m (£384m) worth to as much as $2bn. That higher estimate would reflect almost 7 per cent of the country's exports last year. China-bound exports this year are said to be running significantly higher than last year.

Taipei is concerned, however, that manufacturers do not become overly dependent on the Chinese market and thus leave themselves open to ruin should China suddenly decide to pull the plug.

The Garrison Command's action thus seems to underscore strongly differing priorities among security-minded officials and trade-orientated pragmatists. "You can't say if you know where the goods are going), then you're guilty, and if you don't, then your'e not," remarked an angry Chao Yao-tung, former Economics Minister and now the country's top planner. Mr Chao's remarks reiterated current policy of non-interference in pure transhipments.

But, given the security agency's actions, businessmen are more in the dark than ever over what is permitted and what is not.

S. African activists killed

BY ANTHONY ROBINSON IN JOHANNESBURG

THE charred and mutilated bodies of two leading members of a black community organisation in the strife-torn Eastern Cape township of Cradock have been found by police at the side of a road south of Port Elizabeth.

The discovery follows the finding over the weekend of the mutilated bodies of two other local block activists who were last seen travelling together in a car found burnt out on the Port Elizabeth-Grahamstown road last Thursday.

The four men, who included 38-year-old teacher Mr Mathew Goniwe, played a key role in organising the Cradock Community Organisation, Cradora, which for the last 18 months has defied local white authorities and campaigned for improvements to the amenities and schools in the area.

Cradora is affiliated to the anti-apartheid umbrella organisation, the United Democratic Front (UDF). A UDF spokesman, recalling that at least 10 black political leaders had vanished or been murdered in the Port Elizabeth area since 1981, said: "The cruelty of these murders leaves us with no other conclusion than that the defenders of apartheid are bent on a murderous path of eliminating all popular leaders of the oppressed in South Africa."

Tanker seized in Nigeria

THE Greek oil tanker Tassia and its 51-man crew are being held in Nigeria on allegations of trying to smuggle 900,000 barrels of crude oil out of the country, police officials said, Reuter reports from Lagos.

The Tassia was intercepted about four months ago while it was heading into the Bonny oil terminal in southern Rivers State. The officials said that documents found on the tanker captain authorising the 63,998-ton vessel to lift the oil worth 20m Naira (£17.5m) were forged.

A Nigerian millionaire believed to be the brains behind the deal had also been arrested, they added.

Canberra tax package in balance

BY MICHAEL THOMPSON-NOEL IN CANBERRA

HOPES FOR major tax reform in Australia seemed finely balanced yesterday after the third day of a national "tax summit" in Canberra which has signally failed to produce a consensus.

Business groups and the unions still cannot agree on the relative merits of the tax reform package put forward by Mr Bob Hawke's Labor Government, though they have at last agreed that reform is essential.

The Government badly needs a victory on the tax front to repair its damaged credibility. Yesterday's Gallup Poll in The Bulletin magazine showed that support for Labor has fallen by 4 percentage points to 41 per cent, while support for the Liberal-National coalition has risen by three points to 49.

For the first time, Mr Hawke's personal approval rating, at 47 per cent, is lower than that for Mr Andrew Peacock, the Opposition leader, at 48 per cent.

Labor is pressing for a major switch from direct to indirect taxes, and is anxious to widen the tax base by penalising fringe benefits, fighting tax avoidance, and attacking tax shelters such as gold mining and the film industry.

While the unions dislike plans to introduce a broad-based consumption tax similar to VAT, business groups argue that such a tax is essential if big reductions in personal income-tax rates are to be achieved.

Mr Paul Keating, the Treasurer (finance minister) may be able to square the opposing camps by agreeing to exempt food, fuel, and other necessities from the consumption tax net.

If he fails, the Government will have suffered a mauling that could damage its pay and prices pact with the unions, and thus its economic strategy.

AMERICAN NEWS

GE agrees 3% pay rise with large unions

By Terry Dodsworth in New York

UNIONS representing 56,000 workers in General Electric, the largest U.S. electrical and electronics group, have agreed a wage and benefits package which will give pay increases of only around 3 per cent a year for the next three years, but substantially improve job security arrangements.

The deal, which follows seven weeks of negotiations, will he voted on hy union members next week. It is expected to form the basis for a new contract with a further 24,000 employees who helong to small-plant-based unions.

Announcing the details of the package yesterday, Mr William Angell, GE's chief negotiator, said that the contract would be attractive to employees and would "help to keep our businesses competitive in their respective markets."

Over the life of the contract, pay increase are expected to amount to more than the hasic 3 per cent a year, hecause of cost of living adjustments which are tied to tha consumer price index. But with inflation running at just over 4 per cent, the company appears to have largely achieved the non-inflationary settlement it was aiming for.

In addition, the contract provides for pay scale adjustments which will allow GE to increase differentials for skilled, or more experienced, workers.

The company has also won some concessions on its health benefit costs, which rose last year by 11 per cent, much more than the national average of 6 per cent. Although it has agreed to soma increase in eye and dental coverage, it has introduced several "cost management" features, which include reviews on the need for hospitalisation and second opinions before surgery is carried out.

These measures follow the pattern of similar stepa taken hy other companies trying to cut their health care costs.

In return for these concessions granted by the two unions involved in the negotiations—the International Union of Electrical Workers and the United Electrical, Radio and Machine Workers—GE has agreed to improve retirement benefits, and to protect the income of employees affected by plant closures, work transfers and office equipment.

Stewart Fleming reports on the 1985 World Development report

Warning on renewed debt crisis

THE WORLD has made progress in overcoming the financial difficulties of the early 1980s, but the debt problems of the 1981-82 period could recur even without a slump in world economic activity.

This is one of the main conclusions of the World Development Report for 1985 released by tha World Bank yesterday.

The main theme of this year's report is the role which international capital plays in the process of economic development. "Dabt cannot be seen as something that occasionally becomes a 'crisis' needing urgent attention," the report says. "On the contrary, international finance is an essential part of economic development in an interdependent world."

The report maintains that it is as a result of the mishandling of economic policies over many years that dabt can hecome a crisis; hnt it points out that financial links hava hecome much more important in determining the economic performance of developing countries.

"Fiscal, monetary and trade policies of industrial countries largely determine the external climate for developing countries (and) increasingly the links are financial, through changes in the availability of finance and movements in interest rates and exchange rates."

In analysing the impact of these forces on the developing countries, the World Bank has focused on two medium-term scenarios for the evolution of the world economy. It pays particular attention to the next five years, however, which it describes as a period of transition for tha developing country debt problem. It assumes no cyclical swings in worldwide economic activity, even though it recognises that such swings "will probably occur" and it also assumes no major shocks from, for example, disruptions in the supply of critical commodities.

The bank says that if tha industrial countries make significant progress in adopting economic policies which will reduce budget deficits and unemployment, and changes which permit a roll back of protectionism, then developing countries could achieve a "smooth transition back to creditworthiness and steady growth." Such policies in the industrial world could result in economic growth of 3.5 per cent between 1985 and 1990.

Real interest rates could decline from the average of 6.8 per cent during the first five years of the decade to around 2.5 per cent.

The Bank warns, however, that failure to adopt such policies with the result that unemployment remains high, real interest rates average 6.5 per cent from 1985-1990 and industrial country economic growth levels off at only 2.7 per cent a year over this period, would mean that "several groups of developing countries could find themselves with hesvier deht service burdens at the end of this decade than they hsd at the beginning."

Sheer economic survival, it says, would replace economic development as the goal for the developing countries and even middle-income developing countries would bave to continue to choke hack imports and cut investment, raising "questions about the ability of the socio-politicsl fabrics in many countries to withstand such continuing pressures."

The outlook is particularly hleak for African countries, says the hank. Even the more optimistic economic projections suggest that the best that can be hoped for is a maintenance of average per capita income in these countries.

Central to the projections are the assumptions the report makes about capital flows. It says that the more optimistic projections imply that net financing flows to developing countries would increase in current prices from $72bn in 1984 to $121bn hy 1990. This is an average annual rate of 11.6 per cent.

Official development assistance is assumed to increase hy 2.7 per cent a year which would provide some scope for meeting the financing needs of low-income African countries without continuing the current process of diverting concessional financing from other low-income countries. It underlines, however, that it does not helleve such financial flows to these countries are adequate. Private lending, mainly from commercial hanks, is assumed to rise by 13 per cent a year but in spite of the developing countries, increased capital absorption their financial position improves because of their better overall economic performance.

If the slower growth/higb real interest rate acenario prevails, however, the World Bank warns that total net financing flows would increase from $72bn in 1984 to only $82bn in 1990, a decline in real terms. "The need for reschedulings and the pressures for 'involuntary' lending would be greatly increased."

African investment boost

THE International Finance Corporation, an affiliate of the World Bank, is shortly to launch an African Project Development Facility which will arrange financial backing for private investors in the Continent, writes Hugh O'Shaughnessy.

The project has the backing of the UN Development Programme and agencies of the West German, Dutch, French and U.S. governments. The IFC is also planning a permanent pool of senior management personnel for private sector concerns which have investment projects in Africa.

This was announced by Sir William Ryrie, formerly Second Permanent Secretary to the UK Treasury, now executive Vice-President of the IFC. He was speaking at a seminar on foreign investment policies in Africa inaugurated in London yesterday by the Commonwealth Secretariat.

Introducing the seminar Sir Peter Marshall, Commonwealth Deputy Secretary-General (Economic) said that foreign investment was a sensitive one arousing strong controversy and deep emotions.

"The dilemma for policy-makers in Africa and in many other parts of the developing world is that, on one hand, they are being urged vigorously by Western governments to regard foreign borrowings as a substitute for commercial borrowing," he said.

"On the other hand, the painful reality is that there has been a serious fall in foreign investment in developing countries in the last two years.

Castro delays Communist Party congress

CUBA'S RULING Communist Party yesterday announced a two-month postponement of the congress it holds every five years in a surprise move which diplomats said showed friction over government changes, Reuter reports from Havana.

The decision to switch the congress from December to February was made at a meeting of the party's 120-strong Central Committee under the chairmanship of President Fidel Castro, the official newspaper Granma reported.

It followed a string of key ministerial changes amid predictions by Cuban and diplomatic sources of yet more changes to come including a more prominent role for Defence Minister Raul Castro, the president's younger brother.

"The party wants to clear the way for a harmonious congress and the delay points to more-than-expected internal squabbling over the changes and future plans," one East European diplomat said.

The official statement made no mention of friction, saying only that the party decided it needed more time to prepare documents because of "the tense circumstances and great backlog of work" during the current run-up to the congress, highlight of Cuba's political calendar.

Diplomats were puzzled by the reference to "tense circumstances" but said they presumed it referred to international events rather than domestic affairs.

The year was marked by what tha state-run press agency Prensa Latina described as "a virtual reorganisation of the Cuban Government."

The important ministerial-level posts of planning, sugar, transport, light industry, state finance and television and radio all changed hands while one veteran member of the party secretariat was demoted for poor performance.

Argentina Ford plant occupied by workers

By Our Buenos Aires Correspondent

A FACTORY occupation by Ford Motor Company workers in Argentina has sparked a rash of similar seizures across the country in what threatens to become the first political challenge to a drastic austerity plan announced hy President Raul Alfonsin last month.

More than 2,000 workers seized Fords' principal production plant on the outskirts of Buenos Aires last week to protest against the dismissal of 33 assembly line operators. They have refused to leave until the company hires the workers back. Frantic efforts hy the Alfonsin Administration, members of Congress and the Catholic Church have failed to solve the conflict.

Ford officials claim that the fire operetors were guilty of "chronic absenteeism" and have filed criminal charges against the strike leaders. The shop floor union leaders who led the seizure claimed that the company broke n promise to consult them about layoffs and have vowed they will resist efforts to evict them by force.

An undetermined number of workers who remain inside the plant have barricaded the factory gates with cars and are allowing only relatives of those inside to enter.

Employees of at least six other concerns around the country have taken their cue from the Ford workers and seized their own work places to protest planned or rumoured layoffs.

The businesses affected include a manufacturer of water heaters in Buenos Aires, two hanks (in the provinces of Cordoba and Buenos Aires) which were scheduled to be closed by the central bank, a cement company in the western province of Mendoza, a textile mill in Mar del Plata, a seaside resort, and a meat packing plant in the northern province of Formosa.

Leaders of Argentina's principal unions have not stated outright support for the factory occupants, but have vowed they will oppose any austerity measures that deepen the economic recession and provoke mass layoffs.

World Bank charges Chile's creditors for guaranteeing debt

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE World Bank is to charge Chile's creditor hanks an annual fee ranging from 1⅛ to 1¼ per cent for the Bank's agreement to provide e guarantee on part of the country's new $7bn (£5.4bn) debt rescue package announced on Friday.

The fee will effectively reduce the return banks ean expect to receive from participating in the deal as it will come ont of the interest margin Chile will pay for the money of 1⅛ per cent over London ourocurrency rates or 1¼ per cent over U.S. prime.

The World Bank is guaranteeing $150m, or half of a $300m, 12 year credit that forms part of Chile's new package and is specifically intended to finance highway construction.

World Bank officials say that they have issued similar guarantees before on smaller co-financing deals for Paraguay and Brazil's stete mining company, Companhia Vale do Rio Doce, but this will be the largest guarantee yet extended by the Bank.

Although the Bank is at pains to stress that Chile is a special case, commercial hankers argue that the provision against e fee of such guarantees for debtors involved in rescheduling could constitute a precedent

The mechanism satisfies a twin aim of providing an official incentive for banks to continue lending to countries in trouble without appearing as any form of free handout.

Similarly Chile itself is to charge a fee to banks taking up its offer of n guarantee on privete sector debt that is to be rescheduled under the agreement.

Bankers say that this too was a politically acceptable solution to a problem that emerged when Chile initially declined to give any such guarantee despite creditor banks' insistence that one was needed.

The Chilean package, which also involves a $785m fresh money loan unconnected to the World Bank marks the first time that a co-financing has been introduced into a rescue scheme for a debtor in trouble.

Colombia's foreign exchange reserves havo "stabilised" at the present net level of $1.6bn (£1.24bn) and the country is on the way to achieving its target of limiting the current account deficit this year to $1.3bn, Sr Roberto Junguito-Bonnet, the Finance Minister, said yesterday, David Marsh writes in Paris.

He was speaking in Paris during a tour of Europe, North America and Japan to present details of the country's financing plans in the wake of a recent agreement among international banks to arrange a $1bn loan for 1985-86.

Warning on Nicaragua

BY TIM COONE

A U.S. invasion of Nicaragua could not be ruled out, despite assurances given on Wednesday by Mr George Bush, the U.S. Vice President, to tha contrary, according to Mr Denis Healay, the UK Opposition spokesman on foreign affairs, and Mr David Steel, the Liberal Party leader.

Shortly after the arrival in London of Mr Bush yesterday, both Mr Healey and Mr Steel attended a press conference in the House of Commons organised by the London-based Nicaraguan ...Solidarity ...Campaign. Mr Healey said he was "very disturbed" by the recent statements by President Reagan, which linked Nicaragua to terrorism in the Middle East. He said: "In order to offset the humiliation of the U.S. in the Middle East over the hostage crisis, the (Reagan) Administration might be tempted to take military action in Central America."

Both Mr Healay and Mr Steel strongly attacked the U.S. trade embargo against Nicaragua, and what they described as "the British Government's secret support" for it.

Mr Healey said a U.S. invasion of Nicaragua would precipitate "a collapse of the Western banking system."

WORLD TRADE NEWS

Sony in final stages of Czech compact disc plant talks

BY PATRICK BLUM IN VIENNA

SONY, the Japanese audio and electronics manufacturer, is in the final stages of negotiations to establish a compact disc manufacturing plant in Czechoslovakia.

If the negotiations are successful, it will make Sony the first major Western manufacturer producing compact discs in Eastern Europe as well as making Czechoslovakia the first producer of compact discs in the region.

Sony, which has been negotiating tha project for 15 months, hopes to clinch the deal before the end of the year, according to a spokesman for Center Teknische Handelgesellschaft, a Viennese trading company assisting Sony in the negotiations.

Two other companies including Philips, the European group, are also competing for the project. But Sony alone is able to provide the full equipment, giving it an edge over its competitors, the spokesman said.

The deal would be split into two parts: in a first stage, the company would supply compact discs to Supraphon, a Czechoslovak record company. This could start as soon as the deal is signed.

The second stage involves building and equipping the plant and this is being discussed with Arter, a Czechoslovak trading company dealing with cultural products.

The discs prodnced at the plant would be sold throughout Eastern Europe, but within three to four years they could also be exported to Western Europe, the spokesman said.

The investment for equipment would be under $2.5m (£1.9m). This is likely to be financed by Japanesa export credits and counter-trade arrangements.

The deal would giva Sony a head start over other Western competitors in the potentially large East European market.

It would also put the company in a strong position in bids for similar deals in other East European countries, some of which have already earmarked compact disc production for their next five-year plans, notahly the Soviet Union and Hungary.

Before the deal can go ahead, Sony may also have to win approval from the Paris-based Co-ordinating Committee (Cocom) which controls technology transfers to the East bloc, as the equipment includes sensitive laser technology required for making the discs.

Asea awarded SKr 450m Kuwait power contract

BY DAVID BROWN IN STOCKHOLM

ASEA, the Swedish electrical engineering and electronics group, has won a SKr 450m (£30m) turnkey electric power transmission contract from Kuwait's Ministry of Electricity and Water.

The project involves four snb-stations. Area will provida the civil works and construction, which will be sub-contracted locally, as well as commissioning the facilities.

The electrical equipment includes gas-insulated switchgear, transformers, and control and protection units, and is due to be in service for e new housing project in 1987.

This is Asea's second Kuwaiti order of this kind in two years. The shrinking Middle Eastern market has recently been characterised by heavy price competiion, an Asea Transmision Division executive seid.

The next major prize in the region is a "significantly larger" Saudi Arabian power transmission project, for which hidding was recently closed, he added.

● Götaverken Energy Systems (GES) a wholly-owned subsidiary of the Swedish Svenska Varv state-owned shipbuilding group, has won an order worth about SKr 400m for a turnkey recovery boiler used in pulp production from the Potlatch Corporation of the U.S.

The deal doubles GES'e order intake to SKr 800m, Mr Kjell Darboff, managing director said. The order was won against heavy competition.

Zaire ends Alusuisse smelter agreement

By Peter Blackburn in Abidjan

ZAIRE has cancelled an agreement with Alusuisse, leader of a nine-member consortium, to huild n $1.3bn (£1bn) aluminium smelter at Moanda-Banana in the Inga Free Zone.

The project involved construction of a 210,000-tonnes-a-year smelter and was the largest of several schemes intended to use the hydro-electric power resources of the Inga Dam in Lower Zaire.

Only 20 per cent of Inga'a installed capacity of 1,750 MW is utilised and the smelter would have consumed 345 MW a year.

"Zaire considers tha conditions laid down by the Swiss group unacceptable and intends to take fresh initiatives to continue tha project with other partners, including the International Finance Corporation," Mr Ramazani Baya, Zaire's Information Minister, said.

An agreement between Alusuisse and the Zaire Government to creata n consortium and carry out feasibility studies was signed in 1978.

A nine-member consortium with West German, Italian, Yugoslav, Norwegian, Dutch and Japanese partners was created in 1981 and the feasihility studies completed the following year.

However, the project was held up by delays concerning related infrastructure projects—notsbly the construction of a deepwater port

Britain and NZ step up flights

By Michael Donne
Aerospace Correspondent

Air services between the UK and New Zealand are to he increased following a new agreement between the two countries.

Both British Airways and Air New Zealand (ANZ) will increase their services hetween London and Auckland from two to three return flights weekly.

Cathay Pacific and ANZ will also operate a joint weekly Hong Kong-New Zealand service.

Mr Michael Spicer, UK Aviation Minister, said the new arrangements were in line with the UK Government's policy of rednclng unnecessary restrictions in international aviation

Jurek Martin on Tokyo's latest talks with oil-producing countries

Japan seeks yen crude quotations

JAPAN HAS renewed its approaches to the oil-producing countries that crude be priced in yen as well as in dollars.

After a meeting this week between Mr Keijiro Murata, Minister of International Trade and Industry and six Middle Eastern ambassadors and charges, a Miti official said the diplomats had emphasised "technical difficulties" in permitting yen quotations, but added that "no country said no."

Japan is moving roughly in parallel with the EEC, which has suggested crude qnotations in European currency units (Ecus). Japan first began contacts with individual oil-prodncing nations in the Gulf in January and has subsequently expanded them to all its crude suppliers, except China and Iran.

Officials in Tokyo, who stressed Japan was "in no haste" to realise yen quotations, have accepted that the interest of the oil-producing nations is likely to increase in direct relation to any weakening in the dollar's value.

Given the uncertainties of the foreign exchange markets, Japan has modified its initial preference for a fixed one-year yen/dollar conversion rate and is "tentatively" proposing that the rate be adjusted every three months. It is also content to see any new system introduced gradually.

Japan's purpose in proposing yen qnotations is twofold:

● to encouraga wider use of the yen, in line with its internationalisation programme;

● to achieve greater stability and predictability in the cost of crude oil import bill, running at about $40bn a year.

Its attraction to the producing countries, according to Miti officials, is that stable pricea in local currencies are likely to encourage greater consumption. In practical terms, Japan believes this should appeal particularly to the Gulf producers, who account for about 71 per cent of all crude imports: a share which Japan expects to be maintained over the years.

An additional lure is the assumption that yen quotations would apply only to fixed-term contracts, which prodncing nations prefer. In 1984, term contracts constituted 77 per cent of Japanese crude imports against only 23 per cent from the spot market, bnt over the first five months of this year, the spot proportion has averaged about 30 per cent, rising to as high as 39 per cent in March.

Mr Murata also told the Gulf diplomats that Japan intended to remain a major purchaser of refined oil products. This may be taken as a reference to the growing controversy over the extent to which the industrialised nations should commit themselves to importing the estimated 50m tons from new refineries, principally in Saudi Arabia. This is likely to be given full airing at next week's meeting of tha International Energy Agency (IEA) in Paris.

The EEC has indicated its willingness to absorb as much as 20m tons if the U.S. and Japan make comparable commitments. Japan has not yet decided whether to do so next week in Paris, but is exercised by the EEC implication that its markets are closed to refined oil imports.

According to OECD figures for 1983, Japanese imports of Middle Eastern refined oil prodncts amounted to about 13m tons (principally naphtha, LPG and fuel oil). This far outstripped the next largest individual buyer—West Germany with 1.2m tons—and the EEC total of 7.9m tons. The U.S. was the third largest national buyer, with 1.1m tons.

Some Japanese press reports, flatly denied by Government officials, have said that Jepan was willing to buy as much as 20 per cent of the incremental supplies from Gulf refineries.

Government officials will only say — as they did to n visiting EEC energy delegation some weeks ago — that the petroleum council, a Miti advisory council, is still studying the whole question of the national oil import policy.

Shipbuilding output 'set for sharp fall'

By Our Shipping Correspondent

WORLD SHIPBUILDING output is expected to decline aharply during the rest of the 1980s from present levels, already far below the peak of the mid-1970s, according to latest forecasts from Japan, the world'a biggest shipbuilding country.

The average new shipbuilding requirement up to 1990 is estimated at only ahout 13m gross tonnes a year on average compared with 18m gross tonnes last year and a projected 16.9m gross tonnes in 1985, the Shiphuilders' Association of Jepan (SAJ) said.

But the SAJ thought supply and demand would reach a balance about 1992, with average shipbuilding needs in the years 1991-95 much higher at some 25m gross tonnes. Aiding the recovery would be replacement demnad for ageing VLCCs (very large crude carriers).

Shiphuilding activity in 1984 and 1985 has been higher than the previous five years tha SAJ added, because shipowners have taken advantage of low prices offered by yards. But there was still substantial over-capacity for both tankers and bulk carriers.

Norway groups in $700m deal to ship Liberia ore

BY ANDREW FISHER, SHIPPING CORRESPONDENT

TWO NORWEGIAN shipping companies have signed a deal, likely to be worth well over $700m (£538m) in the next 20 years, to transport half of Liberia's annual iron ore exports of 14m tonnes.

The joint venture between Providence Shipping, controlled by the Liberian Government, and Norn Shipping, a new Liberian-hased company owned by Ugland Brothers and Sigurd Herlofson, both of Norway, will involve at least seven large vessels.

Growing trend

Although Liberia is the world's largest open registry (flag of convenience) country, there will be no obligation to use its flag. Both Norwegian companies have ships suitable for the trade, but other tonnage will be chartered, if necessary.

The deal is part of a growing trend for commodity exporting countries to seek direct shares in shipping their cargoes. Other African countries have also signed agreements giving them a stake in such exports.

The main destinations for iron ore from Liberia, one of the world's largest suppliers, are western Europe, mainly the Netherlands, West Germany, and Italy, and the east coast of the U.S.

The new venture will lift its first cargo from the expanded Liberian port of Lower Buchanan in tha third quarter of this year.

Freight rates are depressed for such bulk cargoes as iron ore, coal, and grain, with demand inadequate to fill the surplus of ahips in the market.

The iron ore rate is about $5 a tonne. "Long-term," said Mr Robert Moore, managing director of tha new venture, "we hope it will be profitable."

A key aspect of the Providence deal is the training of Librian sailors—up to 300 Librians could be employed hy the venture.

The deal was put together by Harley Mullion, the London shipbroking company, a subsidiary of Kleinwort Benson, the merchant bank. Kleinwort could also become involved in financing part of tha venture.

Switzerland's construction exports slide

By John Wicks in Zurich

SWISS construction companies have suffered a "marked decline" in their export business, according to SBI, the trade association.

Mr Jost Murer, SBI director, also forecast a further substantial loss of business this year to littla more than SwFr 400m (£121m), the lowest level since 1975.

The association's 18 member-companies, which have a total of 37 subsidiaries and 12 hranches abroad, booked foreign turnover of SwFr 543.1m in 1984 — 25 per cent below the figure for the previous year and almost one-third lower than that for 1982.

Export orders on hand amount to only some SwFr 413m, compared with SwFr 975m only three years ago. Improvement was hardly likely in the foreseeahle future.

Switzerland's export-risk guarantee system is now subject to political pressure to reduce its deficit, and the SBI is calling for current conditions for the export of building services to be retained. Such a move is seen as of "vital importance" to Swiss construction

Turkey may move on export credits

By David Barchard in Ankara

THE TURKISH Government is considering setting up a new export credit scheme operated by the central bank rather than the commercial banks in order to cut pre-financing costs for exporters.

Exports fell by just under 5 per cent during the first four months of the year, the worst performance since Mr Turgat Ozal, the present Prime Minister, launched his reform programme five and n half years ago.

The gradual lifting of export subsidies, including tax rebates and subsidised interest rates for exporters, appear to he responsible for the decline.

However, some officials point to "overheating" of the domestic economy and claim that the revival in domestic demand has drawn resources away from exports.

There are conflicting claims about Turkey's trade performance in May. Mr Mesut Yilmaz, the Government spokesman, last week cast doubt on Treasury claims that May exports were 9.6 per cent down on 1984 levels and said they were in fact 20 per cent up. Exact figures have still not been released.

"Turkish export credits are the most expensive in the world," a senior official said yesterday. "The banks put on too many surcharges for exporters with the result that pre-financing costs in dollars are 15 or 16 per cent, or virtually double London Interbank Offered Rate.

"The Government is now only subsidising about 4 per cent of that, which means exporters are paying very high rates."

He added that the Government was planning to change the system, probably in a way which would make use of the central bank as n discounting system and cut out the commercial banks. But it was not yet clear that the new system could be made to work.

The philosophy underlying tho Ozal reforms is usually taken to imply reducing tha interventionist role of tho central bank in commercial transactions and using it instead as regulatory authority in a developing financial system. Using the central bank for export credit purposes would appear to conflict with this.

EUROPEAN NEWS

David Barchard in Ankara looks at the changing political climate in Turkey

Ozal may face tough opposition

FOR MOST of the 18½ months that the Ozal Government has been in office in Turkey, it has faced little opposition despite a relatively narrow majority (21 seats in the Grand National Assembly).

As a result of the deposition last weekend of the amiable but unpolemical leader of the Populist Party, Mr Necdet Calp, and his replacement by Mr Aydin Guven Gurkan, a 48 year old former college lecturer, that situation may be about to change.

Mr Calp's gentle personality – he must have been one of the few politicians anywhere to be universally liked – was far from the only reason for the weak showing of the Populist Party.

The party was created apparently at military behest in April 1983 and was intended to function as a loyal opposition in what seems to have been planned originally as a two party political system.

In November that year Turkey went to the polls with 12 of the 15 political parties excluded from the contest. This has meant that all three parties now represented in parliament have suffered some loss of legitimacy.

Mr Turgut Ozal'a ruling Motherland Party was able to offset this with a handsome victory in the March 1984 local elections which, unlike the general elections, were freely contested.

But the Populists and the nationalist Democracy Party – which had come third in the general elections despite having been created by the military as their candidate for office in the new civilian system – only won 13 per cent of the vote between them. Since the military have introduced a 10 per cent barrier for representation in parliament, the moral basis of the entire parliamentary opposition or nearly half the Grand National Assembly was gravely undermined.

The oppositioo outside parliament was not much better off. The Social Democracy Party (Sodep) got less than a quarter of the votes in the local elections – enough to discredit the Populists' claim to be the main voice of the centre-left, but not enough to make it a credible alternative government. Mr Erdal Inonu, its leader, was, like Mr Calp, a mild-mannered political novice unused to campaigning or smoke-filled rooms.

To overcome the weakness of an opposition divided between parties which had broadcasting time and the right to such privileges as that of petitioning the constitutional court and parties which had a genuine following but little or no official recognition, Mr Calp and Mr Inono had reached agreement on the desirability of a merger.

Mr Turgut Ozal: new challenge likely

Mr Bulent Ecevit: desire for new party

The changing Turkish political climate may be one reason for this. Mr Calp had fought strongly against some of Mr Ozal's legislation, notably the recent law expanding the powers of the police, which he claimed threatened the introduction of a police state.

Turkish political conditions are sufficiently close to those of the Third World for opposition figures to be uncomfortably aware of the possible consequences of enabling legislation.

That these fears may not be entirely groundless seems to have been demonstrated by the aftermath to the first big political rally to be held in Turkey since 1980.

Sodep gathered 40,000 people in Istanbul's Sarachane square on June 9 to listen to Mr Inonu and other speakers. 17 people were detained for shouting left-wing slogans not approved by the party – and President Evren made his anxiety known to the press about a possible return to the political atmosphere of the period before the 1980 army intervention.

More strikingly, however, Mr Nail Gurman, Sodep's deputy secretary general, a platform speaker, was taken into custody three weeks later and may be prosecuted – but the event made hardly a headline in the Turkish press.

Mr Gurman of course could not have been detained if he had been a member of parliament, enjoying parliamentary immunity. But the passage of the police law revealed that many members even of the ruling Motherland Party suspect that their telephones are tapped.

Economic policy and the role of Islam are the two chief issues dividing government and opposition. International concern over human rights issues had little counterpart inside Turkey, possibly because memories of violent unrest before 1980 are still close.

There is no doubt that if the Social Democrats win power in 1988 when general elections are due, they would reverse many of Mr Ozal's economic policies, allow wages to rise sharply and encourage the state sector at the expense of private enterprise. Demand for the restoratioo of union rights was a notable slogan at the Populist Party congress.

The Turkish public, however, still appears basically to believe Mr Ozal when he says that there is no real alternative to his policies and that Turkey must develop a strong export-oriented private sector. The message that the alternative to present policies might be somethng like national bankruptcy has sapped the will of groups whose incomes have declined to protest.

The picture is complicated by the desire of Mr Buleot Ecevit, the former prime minister now banned from politics for a decade along with other pre-coup leaders, to set up his own party.

To some social democrats – especially those who see Mr Ecevit as a leader discredited by his own ineffectuality while in office during the late 1970s – the decision to found a third party on the left is the ultimate betrayal.

"This party will split the left-of-centre vote hopelessly. Mr Ecevit is the best ally that Mr Ozal has got" says one observer. "He will get less than 10 per cent of the votes, but reduce Sodep to around the 25 per cent mark. That means that the opposition will be weak in the next parliament and Turkey's democracy will be in danger."

A campaigner for Mr Ecevit sees it differently. "We can wait a decade. In 1988 none of the left-of-centre parties will have a clear lead. I wouldn't expect the contest between Sodep and the Democratic Left party (the name for the Ecevit grouping) to be resolved until the middle 1990s." He disputed the claim that this was likely to have much of a damaging effect on Turkish democratic life as a whole.

Mr Gurkan attracted attention by going to see Mr Ecevit just before his victory. He had earlier been known as an advocate of a merger with the Ecevit camp.

"He will be a strong leader and he will invite opposition groups with some plausibility to come and join us, rather than the other way round" according to a leading Populist Party politician. Another view is that since the majority of the parliamentary party still support Mr Calp, Mr Gurkan may have to move carefully.

"But an early merger with Sodep is off," says another Populist party deputy. "Instead we shall see Turkey'a political life hotting up with much more effective opposition inside parliament and much more plain speaking. Social Democrats will become a force in Turkey again."

Just whether a basically weak and badly divided opposition can hold many terrors for as resilient a prime minister as Mr Ozal, however, still seems in doubt.

● About 30 Iranian prisoners of war, most of them wounded, were handed over to the International Red Cross in Ankara yesterday to be returned to Iran.

The Iraqi authorities gave humanitarian reasons as the cause for the exchange, the sixth of its kind in the past 3½ years.

No Iraqi prisoners of war were returned, but it is likely that Iran will send back some Iraqi prisoners in the near future.

The exchange was organised by the International Red Cross with the Turkish authorities – who have remained consistently neutral in the 45-month war – supporting it discreetly.

UK NEWS

Tories lag in last stage of by-election

John Hunt reports on the likely outcome of today's Welsh constituency vote

AS THE parliamentary by-election campaign in the Welsh constituency of Brecon and Radnor entered its final hours yesterday, Mr Andy Ellis, who has been masterminding the *Liberal Party's strategy, observed* that once again it was the opinion pollsters who were on trial as much as the candidates.

There were the inevitable "we are going to win" forecasts from the three main parties. But in the last few days, today's election has clearly developed into a two-horse race between Labour and tha Liberal and Social Democratic Alliance, with the Tories – who held the seat at the 1983 general election – lagging behind.

There is much talk of tactical voting and Labour and Liberals have been slugging it out for a share of the dwindling number of uncommitted votes.

Many of tha pundits are forecasting a narrow Liberal victory in the belief that the Liberals have edged ahead of Labour in the last couple of days, whatever the opinion polls may say. There are also indications that the Labour vote may have reached its peak a day or so ago, *while* the *Liberal vote was still* growing.

None of the party professionals seemed to believe the credibility of the big Labour majority over the Alliance which was forecast by National Opinion Poll (NOP) in yesterday'a Daily Mail – the latest in a series of polls giving different results in a volatile pattern.

Tha NOP showed 42 per cent for Labour, 33 per cent for Alliance and the Conservatives a poor third with 23 per cent. There were 11 per cent undecided.

The right-wing Daily Mail also carried a surprise editorial urging its readers in the constituency to vote for the Alliance. Yesterday the machines at the local Liberal headquarters were glowing hot under the strain of churning out hundreds of these articles for distribution to voters.

Although the Tories were putting a brave face on things, they were increasingly beginning to look like a *party preparing themselves to* face up to a nasty defeat with the loss of the seat which was bald by their man, the late Mr Tom Hooson, with an 8,784 majority.

The Liberals gave their latest canvassing figures yesterday as 36½ per cent Liberal, 34½ per cent Labour and 25 per cent Tory, with *15-16 per cent still undecided.*

Labour declined to give their canvassing figures and would only say they showed them in the lead. They pointed out, however, that an average taken from the five public opinion polls held in tha constituancy showed Labour leading with 38.6 per cent, Liberals second with 31.2 per cent and Tories last at 28 per cent.

The appearance of Mr James Callaghan, the former Labour Prime Minister, in the contituency was symptomatic of the real state of affairs. He said that he felt like an old warhorse hearing the sound of trumpets. *Then he drew a journal*ist friend aside and anxiously asked his opinion on which party was in a winning position.

The Tory candidate, Mr Chris Butler, who formerly worked in market research, maintained thet no clear trend had been establisbed by the polls. As usual, ba had a Latin tag for the situation *tot homines, tot sententiae* (as many men, as many opinions).

Throughout the campaign the candidates and their supporting speakers have boasted of putting forward "positive policies" on behalf of their parties. Nothing could be further from the truth.

Labour's Dr Richard Willey and the Liberal, Mr Richard Livsey, bave concentrated on slanging the Government *over real or imagined* expenditure cuts in tha constitutency, particularly in bealth and education. These have been blamed on Mrs Margaret Thatcher, who has been presented as a female reincar*nation of Genghis Khan.*

Many of the electorate firmly believe in the reality of such cuts and tha unfortunate Mr Butler, who once worked in Mrs Thatcher's private office, has been the victim of Thatcher rhetoric on this topic. The electorate just does not believe Tory assurances that more is being spent on bealth and education in the constituency.

It has been an interesting experience to hear Mr Butler, an avowed monatarist, Mr Leon Brittan, the Home Secretary, and Mr Norman Fowler, Social Services Secretary, desperately boasting of how much money the Government is pouring out. Their figures are indisputable, but the Thatcherite emphasis on the need to control public expendi*ture has gone on for so long that* their protestations go unheeded.

Both the Labour and Tories have tried to present the Alliance as a confused bunch of muddlers who are not worth a wasted vote.

At the third point of this triangle, the Conservatives and the Alliance have tried to depict the "nice" Dr Willey as a front man for tha terrifying figures of Mr Arthur Scargill, president of the National Union of Mineworkers, and Mr Tony Benn, tha laft-wing Labour MP. This was again the dominant theme yesterday.

Backed up by Mr Fowler, Mr Butlar dwelt on the "chilling spectacle" of a socialist government under the influence of Mr Scargill. A similar line was taken by the Liberals.

Mr Roy Hattersley, Labour's deputy leader, was quick to follow the example of Mr Neil Kinnock, the Labour leader, in repudiating Mr Scargill – who has called, among other things, for a Labour government to sack many of the National Coal Board managers and to free miners jailed for offences during the pit strike.

Throughout the campaign, Dr Willey bas been cosseted by Labour "minders" and has shown a remarkable ability to give non-committal replies. Asked yesterday if he supported an incomes policy, he repeatedly declared that this was a matter for discussion and co-operation between the party and the trade union movement – a stock phrase be has used throughout the contest.

A highly significant development has been the re-emergence during the election battle of an overhauled Labour alectoral machine controlled from the party's beadquarters in Walworth Road, London. Labour has fought a highly effective campaign which should be a distinct warning to the Tory Government of what to expect at the next general election.

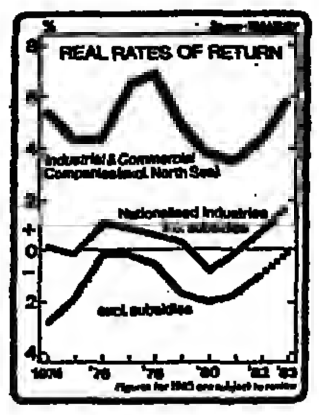
There are also signs of a resurgence in support for the Labour Party among the electorate. Earlier this week a big audience turned out in the rural north of the constituency to bear Mr Denis Healey, the shadow Foreign Secretary, and Mr Michael Foot, the former Labour leader.

Companies' real rate of return recovers to late 1970s levels

BY PHILIP STEPHENS

THE REAL, or inflation-adjusted, rate of return of industrial and commercial companies outside the North Sea bas now recovered to the level of the late 1970s, according to a new official study.

The study, published in the Treasury's Economic Progress Report, shows that the rate of return recovered to around 6 per cent in 1983 and may bave risen further 7 per cent last year after falling to below 4 per cent in 1980.



The calculations, based on national statistics rather than individual company accounts, suggest that the long-run trend in the average rate of return has now settled at around 5 per cent, after allowing for fluctuations in the economic cycle.

The study acknowledges, however, that an analysis based on the annual reports of large listed companies gives a higher figure than that provided by national accounts data.

On a current cost basis company accounts show the real return on *capital for all industrial groups* is 6 per cent in 1980 rising to 9 per cent in 1983.

The Treasury says that its analysis suggests there is no need to modify the requirement first introduced in 1978, that nationalised industries should aim for a 5 per cent real return on capital.

So far, however, the average achieved has been well below that figure and, if subsidies are excluded, has remained negative, although the accompaning chart hides considerable discrepancies between different industries.

Calculations for nationalised industries also exclude the British Waterways Board, British National Oil Corporation (BNOC), National Girobank, British Aerospace, British Transport Docks Board and Enterprise Oil.

Tebbit protests over Bonn trade policies

BY KEVIN BROWN

MR NORMAN TEBBIT, the Trade and Industry Secretary, yesterday widened his attack on Japanese trading policies to include "disgraceful discrimination" by West Germany.

Tebbit: 'disgraceful discrimination'

Mr Tebbit told MPs in the House of Commons that Britain's crude trading deficit in manufactured goods with West Germany was £5.4bn in the year to May, compared with the deficit of £3.1bn with Japan.

He was urged by Mr Teddy Taylor, an anti-EEC Conservative MP, to press the West German Government to *take steps* to reduce the deficit.

Mr Taylor said: "These alarming German figures show that we may be making a serious mistake in trying to make Japan the scapegoat for our trading problems, particularly when many of the complaints against Japan fall apart on careful examination."

Mr Tebbit said the Government's *quarrel with Japan* was over its "almost inpenetrable" barriers against imports, the use of subsidies "to an excessive degree" and its manipulation of the value of the yen.

"The German market is far more open, but they also have quite disgraceful and blatant discrimination in some areas, most notably, for example, against our insurance industry," he said.

Mr Tebbit said the Government's complaints against West Germany had been put "most vigorously" in EEC discussions "and I hope that the European Commission will soon begin to get up and take some action on it."

He urged manufacturers to follow the example of Jaguar which bad substantially increased its exports to West Germany "by the simple expedient of producing what the German customer wants."

Mr John Smith, Labour's trade spokesman, asked what lessons the Government had learnt from the dispute over a £450m Turkish contract to build a second bridge over the Bosporus.

Ministers have repeatedly condemned the credit terms offered by the Japanese consortium that won the contract against a bid by a consortium led by Trafalgar House, the British shipping and construction group.

Mr Tebbit said: "The lesson is that we must look with caution upon Japanese *government policy* statements until they are backed up by Japanese government action in the *same direction.*"

He said a second lesson was that British companies must try even *harder* to be competitive, including their choice of partners for international contracts.

This was taken to be a reference to Trafalgar House's partners in the Bosporus bridge negotiations, whose terms for building associated road works are thought to have been less competitive than Trafalgar's bid for the bridge construction work itself.

Mr Tebbit said the Government must in future make sure that it was ready with a quick response "within sensible limits" to requests from exporters for subsidies and assistance.

Water test comes to boil

FINANCIAL TIMES REPORTER

AN 11-YEAR Government-backed experiment to extract energy from beneath the aarth's surface will be put to a crucial test today.

The Camborne School of Mines geothermal project at Rosemanowes Quarry, Longdownes, Cornwall, in the south west of England, will attempt to drill a narrow track in granite, to link three wells, each more than a mile deep.

The deepest is 2,800 metres and the wells are about 325 metres apart. Cold water will be pumped through the system under pressure and scientists are confident it will be boiling hot when it surfaces.

"We are going to squirt 4½ tonnes of a water-based gel, a bit like wallpaper paste, at the rock and drill a small crack," said project leader Dr Tony Batchelor. Without wishing to over-emphasise the importance of the experiment, he said, "It is fair to say thet it is crucial. If it works, we are in business – if it fails, it is back to tha drawing board."

The geothermal project is jointly funded by the EEC and the Department of Energy. In 1984-85 it won £4.6m of the Government's total £14m research and development budget.

Prospect of split grows in mineworkers' union

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE TWO leading officials of the Nottinghamshire area of the National Union of Mineworkers (NUM) – which worked throughout the recent year-long pit strike – were yesterday dismissed from their posts by the union.

The dismissals, of Mr Roy Lynk and Mr David Prendergast, confirm the trend towards separation from the main union by at least the Nottinghamshire area.

The decision, after a seven-hour hearing before the full NUM national delegate conference in Sheffield, Yorkshire, was reached by a series of majorities of over 80 per cent. It toughened the recommendation made by the national executive on May 14 that Mr Lynk be dismissed but Mr Prendergast be only reprimanded. The barsher motion was proposed by Mr Ken Capstick, of the Yorkshire area.

Both men, however, told the conference that they wished as a union to remain united. Mr Arthuhr Scargill, the NUM president, said after the special closed session: "I would hope that the union will be united in its opposition to Coal Board policy to slaughter the industry."

Delegates to the cooference agreed with Mr Scargill's description of the hearing as fair and measured – though there were isolated calls of "scab" and some commented afterwards on Mr Prendergast's "arrogance." However, both men – together with all other Nottinghamshire delegates – have throughout the conference this week been the butt of taunts and abuse they have excited, anger and contempt from the generally militant delegates.

The 15 Notts delegates are driven to Sheffield each day in a coach escorted by police cars and motor-cycle outriders, with plainclothes policemen on the coach.

After yesterday's bearing, they were taken out of a separate entrance, ran a gauntlet of jeering miners and were driven away behind a wailing police car.

Both Mr Lynk and Mr Prendergast were charged with breaking their contracts of employment with the NUM because of a series of actions and decisions during and after the strike.

These included: arguing for an end to the overtime ban before it was called off by the national executive committee; precipitating the dismissal by the Notts area of Mr Henry Richardson, the Notts general secretary; and arguing against the imposition of a weekly 50p levy to support sacked miners.

They were dismissed from their posts immediately and given three months' notice while suspended on full pay – about £18,000 a year. Both, bowever, will remein NUM members and will also be confirmed today as members of the national executive.

The relationship between Notts – the second biggest coalfield, with some 27,000 members – and the national union is now complex. Mr Lynk and Mr Prendergast were confirmed as respectively general secretary and financial secretary earlier this year and last month signed contracts of employment with the area executive.

Mr Richardson remains, officially, area general secretary and is paid by the national union. Yesterday's decision means that Notts can now apply for two new officials to fill the posts officially vacated by Mr Lynk and Mr Prendergast.

Mr Scargill, who presided over the hearing but took no other part in it, said that, had the two men not signed separate contracts with the area, and bad promised to obey NUM rules in the future, the vote might have been different.

Mr Lynk won some grudging sympathy for his replies, in which he continually referred to the authority be gained from his members for his actions. A ballot of the area earlier this yeer, for example, had produced a 76 per cent vote against the rule changes which will be debated today.

ACT delays launch in U.S. of new business computers

BY JASON CRISP

APPLIED Computer Techniques (ACT) has postponed the launcb of a new range of computers in the U.S. that were intended to boost disappointing sales there.

The machines, originally intended for introduction in June, will not appear until the beginning of September, because of delays in training dealers and because of the summer bolidays. The computers will now appear first in Britain, even though ACT said in May it was diverting initial production to the U.S.

ACT entered the U.S. market earlier this year through Apricot, set up with $20m in which it holds a 20 per cent stake. Sales bave been very poor and it is taking ACT longer than expected to recruit and train dealers.

ACT boped its new F Series would give it volume sales, acknowledging that the more expensive Apricot computers would be sold into specialist markets. The company has 130 dealers with 174 outlets but is only managing to sell just over 200 computers a month, compared with its target of 15,000 for its first yeer.

ACT launched the computers in the UK yesterday and they will be available in about a month. The pricing of the new products is particularly low and will help ACT to renew its challenge to IBM.

According to the latest figures on business personal comouter sales in Great Britain from Romtec, the marketing consultants, IBM bad a 31 per cent share and ACT had 21 per cent in the first three months of this year. The two market leaders are followed by Apple (10 per cent), Olivetti (8 per cent) and Commodore (4 per cent).

The new models, the F2 and F10 costing £1,495 and £2,295, are among the first personal computers in the UK to come with 512K of Ram as standard and use Gem, the graphics-based software that makes computers much easier to use.

ACT acknowledged that it still bad not completed all the software changes necessary to run Gem on its computers.

The F10 is probably the cheapest computer available at present with 10 megabyte Winchester disk drive, which gives fast and large mass-memory storage.

ACT has also restructured its marketing so that its range is divided into four categories, which range from £595 for a very basic model to £5,995 for its top-of-the-range machine.

Ford's new engine could help slow Dagenham jobs decline

BY JOHN GRIFFITHS

FORD'S CONFIRMATION yesterday that its factory at Dagenham, near London, has been chosen as the site to produce a new generation of "lean burn" engines, will come as a huge disappointment for Cologne – the other Ford site considered – and for its state government of North Rhine-Westphalia.

The decision-making process at one stage threatened to bring the state and UK governments into conflict at an EEC level. Ford's original decision, at the start of last year, was in favour of Cologne.

However, the project would have required an expansion of the existing plant, involving extra investment compared with Dagenham. The Westphalian Government was prepared to provide funding for the project, but the UK Government let it be known that since neither Dagenham nor Cologne qualified for investment aid under EEC rules, it would take the issue to the European Court if West German state aid was forthcoming.

Output at Dagenham will start in 1987 with an initial capacity of 200,000 units a year. The engine project is the third to be placed at Dagenham within four years and is much the largest, involving investment of £157m in manufacturing facilities alone.

Reflecting the rapid strides being made by all manufacturers in automating engine production, bowever, the new facility will employ only 350 shop-floor workers wben fully on stream. It will not create jobs, but help to slow the steady decline in employment at Ford's Dagenham engine plants as new manufacturing technology increasingly has spread through them since 1980.

In order to accommodate the facilities for the new engine, all production of Ford's present single overbead camshaft engine, used in the Sierra, is to be moved progressively to Cologne. Dagenham's production of these units is expected to be about 135,000 this yeer, and it would bave built about 100,000 in 1986. Production of this engine would in any case have been phased out when the new engine comes on stream.

Ford described the engine yesterday as a "third generation" lean-burn unit, although it could not say whether it is capable of meeting (without a catalyst) the stiff new exhaust emission standards set out by the environment ministers in Luxembourg last week.

Although Ford declined to give precise details of the engine yesterday, it is understood to be just under two litres. New emission rules for engines of 1.4 – 2 litres become effective in 1991.

Most of the new engines will be exported, mainly to Ford's Continental vehicle assembly plants. The company said they would bring a multi-million pound boost to British trade. Last year, Ford UK ran a balance of trade deficit of £501m, although this was down sharply from £673m in 1983 – mainly because of increased engine output from Dagenham.

Ford expects that productinn could well rise above the 200,000 a year level, as apart from use in its own cars it claims there are "significant prospects" for sales to other companies in the marine and industrial, as well as automotive, sectors.

This has already occurred with its Dagenham-built 1.6 litre car and van diesel engine, which came on stream last year with an initial capacity of 150,000 units a year, which is at present being increased to 205,000.

Ford can use this latest investment further to refute allegations from some union quarters that it is seeking to run down its manufacturing activities in the UK. The company spent £140m on the car diesel and a similar amount on a 2.5 litre direct injection diesel for the Transit van which was also launched last year.

Other investments at Dagenham during the past four years have included £209m on metal stamping and other body facilities for the Sierra and a £30m paint plant. Foundry operations, however, have been closed.

With the new engine, Dagenham should be building a total of about 560,000 units a year.

Job losses exceed coal board target

BY BRIAN GROOM

NEW INVESTMENTS will create more than 7,000 jobs in the coal industry in the next few years, the National Coal Board (NCB) said yesterday. But more than 24,000 job losses have taken place or been announced since the miners' strike began in March last year.

Mr Michael Eaton, the NCB's chief spokesman, held a press conference in London to emphasise the positive side of the board's £2m a day investment programme in the face of the rhetoric coming from the conference in Sheffield, Yorkshire, of the National Union of Mineworkers (NUM).

It is clear, however, that job losses will exceed the 20,000 proposed by the NCB before the 12-month strike began. Mr Eaton also refused to rule out the possibility of further pit closures on top of the 18 now proposed.

Last year colliery manpower was reduced by 9,700. A further reduction of 7,300 in the first 12 weeks of 1985–86 has brought the total down to 164,000.

The recent post-strike review has brought another 14,000 planned job losses. Some of these are included in the figure for the start of 1985–86, but it is clear that, overall, more than 24,000 have gone or are going.

The NUM calculates that 26,000 job losses have been announced, including 2,400 at NCB workshops. The union still claims it is the board's intention to cut 70,000 jobs and close 70 pits.

Mr Eaton said the new investments would "give real security." He said relations between miners and management were improving and production was building up. It was now about 1.7m tonnes a week, compared with 2.2m before the strike.

He disclosed that capacity was now below 100m tonnes a year compared with 104m tonnes before the strike, but this was building up as the Selby coalfield in Yorkshire came on stream.

Mr Eaton said Selby would create 4,000 jobs by 1987–88, the new Asfordby mine, in Leicestershire, would create 1,100 jobs in about five years and the proposed new mine near Coventry would employ 1,800.

The NCB said substantial investment programmes were continuing in all coalfields, including the £1bn Selby complex, the £400m Asfordby mine and the £28m investment at Calder Drift, Yorkshire.

Thames terminal opens European trade link

DEVELOPMENT of a new roll-on, roll-off ferry terminal on the Thames, just 16 miles from the centre of London and hard by the M25 motorway link, was formally launched at Dartford, Kent, yesterday.

The £20m joint project, set up by Blue Circle Industries and Municipal Mutual Insurance, is expected to be ready to receive the first ships by June next year. Construction work started recently.

The Dartford International Ferry Terminal (DIFT) will be able to handle up to 12 berthings a day, working round the clock, the company said. Although it has not yet signed any firm agreements with shippers, it claims to have had many positive responses. It could draw custom from established ports as far away as Hull and Portsmouth.

DIFT hopes to develop daily ferry services to continental ports between Boulogne in France and Flushing in the Netherlands. It also plans to establish links with more distant docks in Emden and Cuxhaven in West Germany.

Once at full capacity, within two or three years, the terminal could provide direct employment for up to 200 people, with perhaps a further 60 or so openings for forwarding agents, customs staff and the like.

The company has signed a memorandum of understanding with the Transport and General Workers' Union, which provides for one grade of operative on the site and flexible working arrangements which, it hopes, will forestall any difficulties over demarcation.

□ EASTERN Air Lines, the U.S. operator which starts scheduled flights between Gatwick (London) and Miami, Florida, on July 15, will offer a cut-price economy return fare of £349 on the route up to August 17. This compares with the standard high-season economy return rate of £528.

At the same time, Eastern will offer a "two-for-one" ticket bonus to all first-class and executive class travellers, enabling them to take a companion free of charge for every ticket bought, for travel up to September 3. The first-class return fare will be £2,330 and the executive class return rate in £1,160.

□ NORTH Sea oil and gas fabrication contracts worth more than £350m are likely to be awarded in the next six months, Mr Alick Buchanan-Smith, Energy Minister said.

Contracts would represent a "lucrative opportunity" for the UK offshore supplies industry and "a real challenge" for fabricators. In the past 18 months UK fabricators had improved their competitiveness against overseas rivals by winning £80m worth of North Sea orders, be said.

□ INFLATION should be below 5 per cent next year, Mr Nigel Lawson, the Chancellor of the Exchequer, told members of a political dining club. "The plain fact is that the British economy is doing better now than it has for many a long year," he said.

He listed a series of economic indicators and said that the improvement in them could not be taken for granted. "I have to warn the Britisb people that a change of policy would put it all at risk."

□ TESCO, the supermarket chain, disclosed payments totalling £203,500 to Mr Donald Harris, a director who resigned in February. Mr Harris, who had been with the group for 20 years, left to follow an academic career.

□ MARKS & SPENCER, Britain's biggest retailer, is considering breaking with tradition and mounting an advertising campaign to increase sales. The company is understood to be talking to leading agencies about a campaign which would cost at least £1m in its first year.

□ POSTAL workers voted by 58 per cent to 42 per cent in a national ballot to accept Post Office proposals for fundamental changes in their working practices. The measures are aimed at securing greater efficiency and increased productivity.

□ GUARDIAN newspaper was not printed in London last night for the third successive day because of a pay dispute with members of the NGA print union.

□ THE QUEEN MOTHER opened an exhibition in the crypt of St Paul's Cathedral of work by Financial Times photographers.

Malaysia Mining Corporation Berhad

(Incorporated in Malaysia)

Extracts from the Statement by the Chairman, Tan Sri Dato' Nasruddin bin Mohamed

The continuing adversities presaged in my statement last year have indeed taken place. Malaysia Mining Corporation Berhad (MMC) and companies within the MMC Group have come through yet another difficult year, although this is only one of several years before a return to normalcy is achieved. As we face a future clouded by uncertainty, we remain confident of our ability to generate profits and emerge viable and competitive during this extended period of difficulty.

GROUP RESULTS

Restricted operations, necessitated by tin export control regulations, effectively reduced Group production to about 51% of total capacity. At the same time, the continued build-up of mine head stocks to the maximum allowed under tin export control regulations, adversely affected Group liquidity and the availability of working capital. Interest costs on resultant borrowings had a strong adverse impact on Group profitability, reducing profit before taxation and extraordinary items to $63.444 million, as compared to $69.663 million in 1984. After accounting for taxation of $27.869 million (1984—$32.514 million) and minority shareholders' interests in subsidiaries amounting to $0.155 million (1984—$5.360 million), earnings attributable to MMC have increased by 11% to $35.420 million in 1985 (1984—$31.789 million).

Included in extraordinary items is a provision of $222 million, representing a write-down to market value at balance sheet date of MMC's 15.3% interest in Sime Darby Berhad. This represents an unrealised loss and is further explained in note 6 of the notes on the accounts. The net effect has been a reduction in total Group reserves to $589.724 million as at 31st January, 1985, as compared to $791.239 million for the previous year.

An interim dividend of 3 sen per share, less tax at 40%, was paid on 17th December, 1984. A final dividend of 3 sen per share, less tax at 40% has been recommended by your Directors. The final dividend, if approved at the Annual General Meeting to be held on 25th July, 1985, will bring the total dividend for the year to 6 sen, absorbing $14.822 million (1984—$14.822 million) of the profit for the year.

MINING

Tin mining operations during the past year were severely curtailed with only 21 of the Group's total of 42 dredges being operational on a full-time basis. It is likely that this state of affairs will continue as tin export control is expected to remain in force for some years into the future. Deep structural changes are taking place within the world-wide tin industry, and the continued imposition of tin export control is a reflection of these changes. To a large degree, the fortunes of the tin mining industry in Malaysia generally, and the fortunes of the MMC Group in particular, will be dependent on these forces currently at work within the industry. Shareholders may find it helpful if I were to comment briefly on some of these factors, and attempt to assess the resultant impact on the MMC Group.

Since the mid-1970s, there as been a decline in the volume of tin consumption. However, during this same period, the availability of tin has increased, oblivious to the decline in consumption. Exacerbating this situation has been the entry of new tin producers on the world market, particularly from Brazil. Consequently, in the mid-1980s, we have a situation where there is a substantial structural imbalance between the supply of tin and annual world consumption, made worse by the accumulation of large surplus stocks which cannot be readily absorbed.

The objective of tin export control is to restore a basic balance between supply and demand. However, this attempt to restore a semblance of order to the market has not been helped by the continued flow of tin metal to the world market from Singapore. These tin supplies, mostly of dubious origin, totalled about 12,000 tonnes during the period under review, and together with increased production from non-ITA member countries were a major contributory factor in preventing a meaningful depletion of surplus world stocks. The elimination of the stock overhang will therefore be a lengthy and arduous process, requiring patient and painstaking effort over a number of years. Since full profitability can be restored to the MMC Group only when conditions in the world tin market approach normalcy, clearly difficult years lie ahead.

In recognition of the particular challenges involved in managing during a period of extended export control, efforts continued during the past year to improve cost effectiveness and increase operational efficiency throughout the Group.

We have also benefited from changes in tax legislation instituted by the Government, whereby exploration expenditure is now allowed as a deduction against aggregate income in the year in which such expenditure is incurred. This is a considerable improvement over the tax treatment of exploration expenditure under previous legislation, and we welcome this evidence of concern and support for the mining industry from the Government.

In Australia, work proceeded on schedule at the Argyle Diamond Mines Joint Venture. Barring unforeseen circumstances, it is anticipated that mining of the Kimberlite pipe designated AK-1 will commence towards the end of 1985.

EXPLORATION

Despite the increasing constraints of reduced cash flow and the need to conserve resources, a continuing commitment to exploration is essential to securing the long-term mining future of the MMC Group. To that end, an intensive but selective exploration programme continued through the period under review, building on efforts and findings of previous years.

Outside Malaysia, various MMC Group companies have come together in joint venture with third parties to undertake exploration of primary gold prospects at locations in East and South Thailand. It is hoped that the increased emphasis on exploration for non-tin minerals will assist, to some extent, in alleviating the present dependence of the MMC Group on income from tin.

ENGINEERING SERVICES

During the year under review, the Group secured several engineering contracts involving the provision of project management, engineering design, survey and soil services. Two of these contracts were in respect of a route selection and engineering study for the East-West Line project of Keretapi Tanah Melayu and a gas pipeline route selection and optimisation study for the Petronas Peninsular Gas Utilisation Project. It is opportune that the Group's engineering capabilities in these diverse areas are being given increasing recognition.

MARKETING AND TRADING

An event of historical significance in the past year was the ending of the Straits tin market, based in Penang. In its place, on 1st October, 1984, we witnessed the coming into being of the Kuala Lumpur Tin Market. With the establishment of this market, it is hoped that the way will be cleared for active participation by both buyers and sellers, when conditions in the tin industry return to normalcy.

On the London Metal Exchange, MMC Metals Limited commenced its metal brokering business during the year, executing orders in tin as well as various other metals.

FUTURE OUTLOOK

Although intensive efforts have been made and will continue to be made by MMC to diversify into other areas of business, the fruits of such efforts are not expected to impact on the Company's results in the short term. Meanwhile, the Company's profitability will continue to depend substantially on the performance of its tin business.

Unfortunately however, the world tin market is still in a state of disequilibrium despite three years of severe export control. The efforts of the International Tin Council (ITC) to provide some semblance of order in the world tin market, through export cutbacks, have partially been negated by increased production from non-member countries, continued smuggling and releases from the GSA stockpile. Consequently, a large surplus of tin stock still persists to overhang the tin market which continues to be supported by the Buffer Stock Manager (BSM).

In March 1985 the BSM was authorized to operate below the ITC floor price of $29.15 per kilogramme and this has resulted in the price in recent weeks hovering slightly below the floor. Given this flexibility, we are confident that the BSM will continue to be in control of the market, despite his limited resources.

Whilst we are confident of the BSM's ability to defend the price, we do not at the same time envisage that there will be any significant relaxation of export control in the next few years in view of the still large surplus of tin stock. On account of the negating factors stated previously, the running down of the stock to normal level will be a long and arduous task during which time we will have to continue to endure.

On the other side of the spectrum, Research and Development (R&D), with a view to increasing the tonnage of tin consumption is equally critical if the world tin industry is to be assured of a healthy state. In this respect, we are pleased to note that the Association of Tin Producing Countries (ATPC) has recently approved an increased budget for a five-year R&D programme of the International Tin Research Institute in London, which is financed by most of the tin producing countries. This, coupled with the intention of the ATPC to embark on an aggressive market promotion and development programme portend a healthy long-term future for the world tin industry as a whole.

While we remain confident of the long-term outlook for tin, we have at the same time recognized the need to accelerate the pace of development within the existing diversification programme of the MMC Group. To that end, consultants from the Boston Consulting Group were engaged in early 1985 to undertake studies, including a review of the Group's diversification strategy. It is hoped that findings from the study will assist in identifying new business areas which will add to and supplement MMC's tin business.

DIRECTORATE

A number of changes have taken place during the year in the duties undertaken by members of the Board. YBhg Datuk Mohd Desa bin Pachi relinquished his position as Group Chief Executive on 31st December, 1984, following his appointment as Group Chief Executive in another corporation. He will, however, remain on the Board of MMC in a non-executive capacity, where we will continue to have the benefit of his guidance and counsel.

Encik Abdul Rahim Aki relinquished his position as Group Deputy Chief Executive on 3rd April 1985, on which date he also resigned from the Board. YM Raja Badrol Ahmad also stepped down from the Board on 1st February, 1985. Both Encik Abdul Rahim Aki and YM Raja Badrol Ahmad have been associated with the MMC Group since its inception. On behalf of the shareholders and my fellow directors, I would like to express appreciation for the valuable services rendered during their association with the Group.

Consequent upon YBhg Datuk Mohd Desa bin Pachi relinquishing his executive responsibilities on 1st January 1985, I have performed the duties of Group Chief Executive in addition to my position as Chairman.

Tan Sri Dato' Nasruddin bin Mohamed
Chairman

Kuala Lumpur
23rd May, 1985

Copies of the Report and Accounts and Chairman's Statement can be obtained from the Registrars, Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL.

UK NEWS

Rising cost of defence projects worries MPs

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TOUGHER action by the Ministry of Defence (MoD) against contractors whose own shortcomings contribute to the rising costs of defence projects is advocated by the House of Commons committee of public accounts.

The committee says in its latest report that it is concerned over substantial costs in several major defence projects which might squeeze the defence budget and cause some other ventures to be postponed or cancelled.

The MPs identify four projects causing concern. They are the British Aerospace Harrier GR-5 jet aircraft, a joint venture with McDonnell Douglas of the U.S.; the Westland-Agusta (Italy) EH-101 helicopter programme; GEC Foxhunter airborne intercept radar; and Skyshadow airborne electronic counter-measures equipment.

The precise cost overruns are not revealed. They are contained in a secret document summarising the progress and costs of major defence programmes, which the Ministry of Defence and Treasury prepare annually for the committee alone.

The committee says that the 1983–84 document covered about 50 projects involving about £40bn of expenditure, with overruns in some cases amounting to about £1.3bn and underspending on others amounting to a similar sum.

It says these figures "exclude possible additional expenditure of several billions for which further Treasury approval may be sought."

From evidence given to the committee, published in its own latest report, it appears that the GR-5 Harrier cost has risen by £450m to over £1.22bn; that the Skyshadow cost is up by 27 per cent (although from what level is not revealed); and the Foxhunter radar cost is up by 57 per cent.

A large part of the Harrier cost increase has been due to the strength of the dollar against sterling, because the aircraft is a collaborative venture with McDonnell Douglas involving some U.S. manufacture and equipment fittings.

Skyshadow costs have increased because of the need to make design changes during the development programme to meet new threats identified in the Soviet equipment which Skyshadow is designed to counter.

Foxhunter development has taken much longer than expected, because the task has proved more difficult and the amount of work involved has been misjudged.

The EH-101 helicopter was delayed in coming to full development because of the efforts to make it an international collaborative programme. The number of helicopters required by the UK was adjusted downwards from 74 to 50.

The committee says that, as well as leading to increased costs, the EH-101 delays "may have adverse operational consequences, including the need to keep the Sea King helicopter in service for longer than had originally been planned."

The MPs are concerned that all these cost overruns may squeeze the budget and keep other ventures from coming to fruition.

They are also concerned that where contractors are in part responsible for such cost increases, they should be made to pay, either by having part of their profits withheld, or by being denied participation in future ventures.

"We would expect the MoD to obtain suitable redress from contractors whose shortcomings have added to the costs of a project," says the committee.

Jaguar achieves record car output

By Kenneth Gooding, Motor Industry Correspondent

JAGUAR produced a record 20,195 cars in the first half of this year, a 17 per cent improvement on the 17,246 in the same period of 1984. The company has revised upwards its production target for 1985 from the 36,000 fixed in January to 38,000. Last year Jaguar's output reached a peak 33,437, a rise of 19 per cent on the 1983 level.

The record output, well above the nominal 24,000 a year capacity at the three Coventry factories, was achieved by some second-shift working and a great deal of overtime, which has boosted average shop floor workers' pay to £200 a week – about the best in the UK motor industry.

However, Jaguar does not want to increase its workforce above the present 10,000 because that will be adequate when its new car, the XJ40, replaces the present saloon, probably towards the end of next year.

Sales in Jaguar's two biggest markets, the U.S. and Britain, rose by 5 per cent in the first half. In the U.S., 9,322 luxury cars were sold, against 8,874 in the same period of 1984.

The U.S. waiting list has been reduced from about three months to six weeks, which Jaguar believes is a much more reasonable level. In the UK, sales in the half year rose from 3,922 last year to 4,114 in 1985.

Jaguar is also making fast progress in West Germany, its leading market in continental Europe.

Sales in the first half were about 46 per cent up to 1,300. For the whole of 1984, some 1,950 Jaguars were sold in Germany, 60 per cent up from the 1983 total, and the company is on target to register 2,500 this year.

The German performance enabled Jaguar to show a 24 per cent increase to 2,200 in the half year. Continental sales should rise from 4,200 to 5,400 in the full 12 months.

● Henlys, the BL vehicle distributor, has closed the Nissan car franchise it acquired after the Japanese group announced that it was to set up an assembly plant in Britain.

The loss is seen as only a minor setback for Nissan UK, the independent import company headed by Mr Octav Botnar which has been in the process of beefing-up its dealer network in readiness for production of Nissan cars at Washington, county Durham, in the north east of England.

Parrot aims for 10% of diskette market

BY ROBIN REEVES

PARROT CORPORATION, a new integrated floppy disk manufacturing venture, officially opened in Cwmbran, South Wales, yesterday, aims to capture 10 per cent of the European market for diskettes by 1987.

Setting out the company's marketing ambitions at the opening, performed by the Duke of Kent, Mr Frank Peters, Parrot's managing director, said that as Britain's first fully integrated disk manufacturing plant, Parrot had the determination to gain a valuable share of the worldwide floppy-disk market.

"We intend to capture 25 per cent of the UK market by 1987 as well as supplying 10 per cent of Europe's requirements for flexible diskettes. We are extremely optimistic, although we have a healthy respect for the tough market we are in," he said.

Mr Peters said the latest market figures showed that worldwide demand for flexible diskettes was growing by 35 to 45 per cent a year, from a base of 400m units in 1984.

Parrot Corporation was formed in December 1983 with the backing of the Welsh Development Agency and a number of leading City of London financial institutions. Mr Peters and his senior management colleagues formerly worked with the Wabash Corporation of the U.S., in the same business.

A total investment of £10m in the project makes Parrot one of the largest venture-capital start-up companies yet established in Western Europe or the U.S. The new plant has been constructed on Cwmbran Development Corporation's Llantarnam Industrial Park. At present it employs 90 people, producing disks in eight-inch, 5¼-inch and 3½-inch sizes, as well as computer tape. It hopes eventually to employ a workforce of 300.

Campaign to lift remaining EEC barriers

By Walter Ellis

THE COMMERCE and industry group of the European Movement in Britain has launched an initiative designed to promote a smoother operation of the internal market in the EEC.

A new campaign, Enterprise Europe, is to be funded by the 140-company group, which has already been promised support from national branches of the European Movement elsewhere in the Community.

As well as seeking an end to the remaining trade barriers between Common Market states, the group in Britain is to encourage UK companies that are not already active in Europe to take a more positive line on exports.

This evening, Sir Geoffrey Howe, Foreign Secretary, will address 200 businessmen at a dinner in the City of London on the theme of EEC trade barriers. Sir Geoffrey will no doubt discuss the outcome of last weekend's Community summit, in Milan, at which it was resolved to work towards a completely free internal market by 1992.

Also speaking will be the chairman of the European Movement in Britain, Mr Geoffrey Rippon MP, and two other leading members of parliament, Mr Roy Jenkins and Mr Denis Howell.

The Enterprise Europe campaign intends to lobby in Brussels and Strasbourg as well as in the UK. Publications are planned, and a series of seminars on the theme of doing business in Europe is to be organised.

● Britain's businessmen must learn to "fight dirty" if they are to win the export war, according to companies in the south west of England. A questionnaire, drawn up by the Confederation of British Industry in the region, suggested that many UK businessmen feel they are being outmanoeuvered by the "dirty tricks" of foreign competitors.

Leading banks to form enlarged trade group

BY DAVID LASCELLES, BANKING CORRESPONDENT

LEADING BANKS in England and Scotland are to form a new enlarged trade group to be known as the Committee of London and Scottish bankers.

The group will supplant the existing Committee of London Clearing Bankers (CLCB), which has traditionally represented the interests of the largest banks in the UK. The Committee of Scottish Clearing Bankers (CSCB), based in Edinburgh will, however, continue in existence to handle matters specifically concerning the Scottish banks.

The new committee will start with seven members: the Bank of Scotland, Barclays, Lloyds, Midland, National Westminster, Royal Bank of Scotland and Standard Chartered. The Trustee Savings Bank is expected to join after its public flotation this winter. Clydesdale Bank and Coutts & Co will be represented through their parents, respectively Midland and NatWest.

All these banks were members of either the CLCB or the CSCB except Standard Chartered, which was recently made a clearing bank. Citibank, the large U.S. bank which has also become a clearing bank, is not included because it does not fit the full definition, which is a publicly quoted British-owned recognised bank operating branch networks in the UK.

Tourist trade warning

By Arthur Sandles

HOTEL PRICE increases could provoke a sudden drop in Britain's tourist traffic according to one of the leading consultants in the field.

A boom in UK tourism in 1978 was followed by a slump in traffic, much of which was blamed on London's expensive reputation. Mr Jonathan Bodlender, managing director of Horwath and Horwath (UK) said: "If prices increase as steeply in 1986 as they did in 1978 the industry will hasten what will be a self-induced downward cycle by pricing itself out of the market."

Writing in the latest Horwath and Horwath report on the British lodging industry, Mr Bodlender argued that such a recession would already have arrived if it had not been for the weakness of sterling.

Ferranti makes protest over telecom delays

By Jason Crisp

THE DELAYS and costs of winning approval for telecommunications equipment in the UK have been strongly criticised by Ferranti GTE, which has complained to the Office of Telecommunications (Oftel).

The company says it has so far spent £200,000 on getting interim approval for its small private exchange (PABX) in Britain, compared with about £10,000 in countries such as Belgium and West Germany.

Mr Alan Bardsley, managing director of Ferranti GTE, said: "Compared to the (European) Continent, British standards are twice as demanding. These sort of costs are difficult for independent firms to bear. An element of unfair competition still exists."

Mr Bardsley said the total cost of winning approval for the new PABX, which has 50 to 200 extensions, would be £400,000. The costs included testing by British Telecom (BT) employees who were charging fees of £500 a day.

As part of the approvals process, the British Approvals Board for Telecommunications sub-contracts the testing of equipment to the British Standards Institute or BT. Some of the leading telecommunications suppliers such as GEC, Plessey, STC and Philips have the approved facilities to do their own testing.

Ferranti GTE wants Oftel to find a procedure for testing equipment that concentrates on safety but has less strict technical standards, which are the main reason for the high costs.

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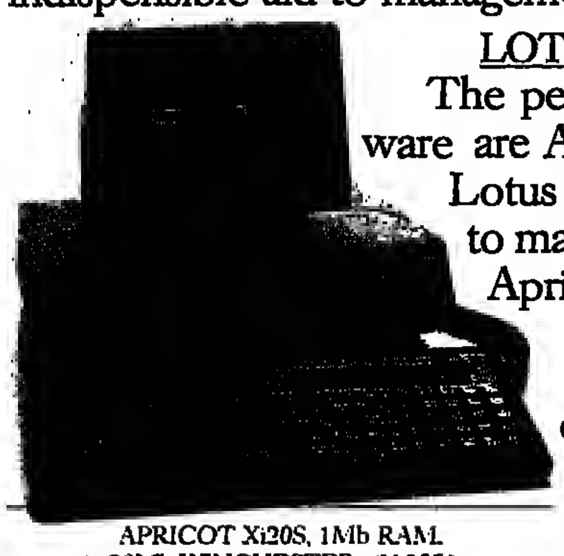

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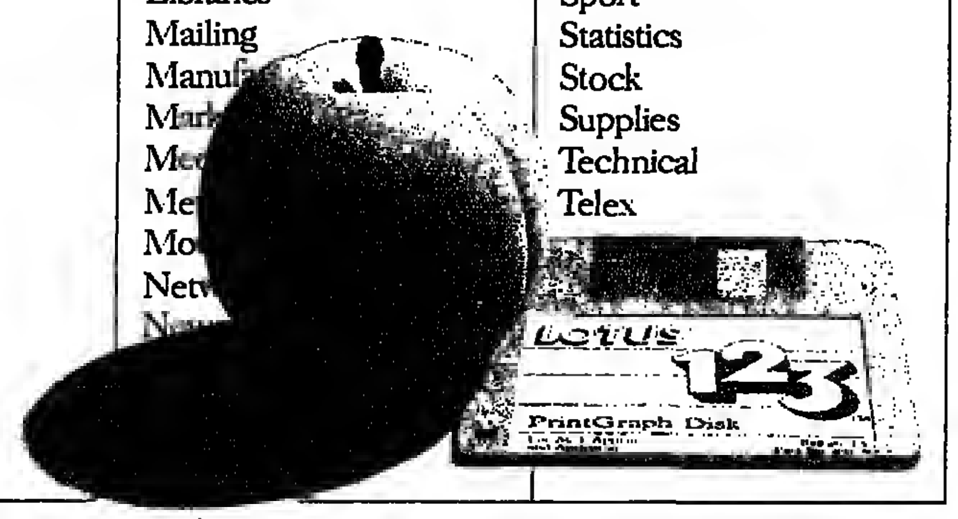

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U.S. DISTRIBUTION MARKET

Enter the British pioneers

By Stefan Wagstyl

THERE'S MORE than a touch of the pioneering spirit in the way Wolseley-Hughes, central beating and plumbing merchant from Droitwich, Worcestershire, thinks about the business it bought and built up in the U.S.

"America is so vast. We found plenty of room for us over there," says Mr Jeremy Lancaster, the chairman.

Three years ago, Wolseley-Hughes bought Ferguson Enterprises, of Newport News, Virginia — the company's first major acquisition. It has since expanded Ferguson's network of 50 plumbing and beating supply centres to more than 90, stretching for bundreds of miles across 12 states of the south-eastern U.S.

In the year to last July, the U.S. contributed close to one third of the group's pre-tax profit of £24.7m. This year it will be nearer half.

Wolseley-Hughes is not the only UK company of its size to invest in distribution in the wide open spaces of the U.S. Another is Bunzl, which, starting in 1981, has built np a business in distributing industrial paper (such as packaging for supermarkets) that in 1984 provided more than half of the group's £27.6m pre-tax profit.

The success of these companies, and others, bas often been overshadowed by tha exploits of far larger groups, notably Hanson Trust, which has several distribution businesses in its U.S. portfolio.

Nevertheless, in the space of a few years, both Bunzl and Wolseley-Hughes bave made a considerable impact on their U.S. markets—Bunzl says it is the first or second largest independent distributor of industrial paper in the U.S.; Wolseley-Hughes believes it is one of the top 10 U.S. plumbers' merchants by turnover.

The experience of these companies and others suggest good reasons why qulte small companies (by U.S. standards) should have been able to establish strong positions in distribution very quickly:

● The sheer size of the U.S. means that it is difficult for major U.S. groups to dominate distribution, particularly outside the largest urban areas like New York.

● This tends to lead to fragmented markets in many states, in which newcomers from the UK are not necessarily at any disadvantage to local U.S. companies.

● A distribution business can be run from a small head office so a medium-sized UK company does not need to carry high central overheads in the U.S. from the moment it sets foot in America.

Moreover, Bunzl and Wolseley-Hughes were particularly skilful and lucky in making their initial acquisitions in the U.S. at a time when the pound was strong against the dollar, so investments were cheaper than they would be now. Equally, they entered tha U.S. market just as the American economy was beginning to recover from recession so their subsequent successes were achieved in very favourable economic conditions.

Timing also played into the bands of the two companies in another, rather curious, way. They found that many privately-owned distribution companies had been set up in the late 1940s and 1950s by young entrepreneurs wbo took advantage of the post-war recovery. By the 1980s, these men were successful businessmen, often in their 50s, looking either for a new commercial challenge or to sell the results of their life's work.

Mr Brian Ford, who went to the U.S. to set up Bunzl's distribution business, says that American entrepreneurs he met were reluctant to see their companies swallowed up by a U.S. conglomerate after working "day in, day out for 30 years." They were, bowever, "tremendously excited" about working in partnership with an overseas company.

Mr David Peebles, president of Ferguson Enterprises, who has stayed in charge of the company after the takeover by Wolseley-Hughes, puts it this way (writing in a U.S. trade magazine): "I've always maintained that any company can be great for 25 years. The truly great one, however, is the firm capable of perpetuating itself through the next generation and beyond."

However, there are limits to the extent to which generalisations about U.S. history and geography can explain the success of Bunzl and Wolseley-Hughes. After all, other groups have found it more difficult to exploit U.S. distribution markets despite investing in the U.S. at the same time—the engineering group Glynwed International for example, was driven last year to sell Breman Steel, the loss-making steel stockholder which had been its first major U.S. buy in 1979.

Lex Service made substantial profits in 1984 from its 1981 acquisition, Schweber Electronics, the third largest U.S. electronic component distributor. But in 1985 Schweber could well make a loss. Mr Trevor Chinn, the chairman, blames the volatility of the electronic components distribution for the sudden adverse swing.

How did Bunzl and Wolseley-Hughes build up their U.S. companies and what plans bave they for the future?

For Bunzl, the move into U.S. distribution was a central part of a wide-ranging diversification programme, started by Mr James White, group managing director, who arrived from Lex Service in 1981. To bead the U.S. venture he chose Mr Ford, a former colleague at Lex.

Mr Ford looked first at fine *paper distribution (the supply* of writing and art paper) but found this was dominated by large chains linked directly to the paper-making companies. He turned then to industrial paper distribution where he found the fragmented market that be sought.

Mr Ford also found that industrial paper companies, taken together, had a relatively poor financial record—so the market seemed ripe for exploitation.

Bunzl started by buying Jersey Paper, a New Jersey company for $8m in 1981, and followed this np with another 11 acquisitions, spending a total of over $80m.

Bunzl now bas about 5 per cent of the $9bn a year market for industrial paper beld by independent companies. Another $7bn is in the hands of paper making companies, which are particularly strong on the West Coast.

Mr White says that Bunzl moved faster than "we ever imagined," taking over independent companies before the paper manufacturers could react.

Bunzl's strategy has been based on three key acquisitions —Jersey Paper, on the East Coast, Cap Con, in Indianapolis in the Mid-West, and Packaging Consultants, further south in St Louis. These companies bave been expanded by investment in new branches and in smaller satellite acquisitions.

Mr White says the group, *which now covers three-quarters* of the U.S. is poised to attack the West Coast.

Bunzl believes that bringing separate privately-owned companies into a single group bas brought lasting advantages. Suppliers can be squeezed for better terms; national customers, such as supermarket chains, can be *served more efficiently* and profitably: there are cost savings in bringing together two or three smaller companies in a one state or town.

Equally important, though less tangible, is the new sense of motivation that Bunzl thinks it bas brought to its acquisitions.

Mr White says: "We bring a *vision of the potential size* these businesses can achieve. We are prepared to take risks which the former owners perhaps would not with their bard-earned capital."

Suppliers can be squeezed for better terms and national customers can be served more efficiently and profitably

His American managers work bard. "It's very difficult to say wby. But *it seems these people* want to prove something in an industry where outstanding performance bas not been too evident."

Bunzl moved into U.S. distribution with many years of international commercial experience in different parts of the paper industry behind it. By contrast, Wolseley-Hughes had before 1982 concentrated its energies on building up a national network of plumbers' merchants in the UK to compensate for the dull performance of its traditional engineering businesses chiefly agricultural machinery manufacture.

By the late 1970s, it could see limits to its UK expansion and looked to the U.S., because its size seemed to impose no restrictions on the potential growth of a branch business.

Wolseley-Hughes found Ferguson with the belp of a merger broker. Mr Lancaster says: "We came out of the blue for them. We spoke the same language. Their business was our business."

Mr Peebles and his colleagues bad been looking to sell Ferguson because the company needed more capital to expand than the shareholders were able to provide. They disliked the idea of selling out to a U.S. group for fear of losing their independence.

Mr Lancaster says bluntly that Ferguson liked the fact that Droitwich was so far away from Newport News. Wolseley-Hughes therefore approached its acquisition very delicately.

Mr Bill Chislett, who had previously run the UK merchants' chain, went to the U.S. to look after Ferguson, but it was Mr Peebles who remained in day-to-day charge. Mr Chislett says: "You can't bave an American company full of Americans without an American running it."

But geotly, Wolseley-Hughes made its influeoce felt. The group, which prides itself on its organisational abilities in the UK, persuaded Ferguson to adopt more centralised management systems than before. And it encouraged the U.S. company to invest in computers.

Moreover, Wolseley-Hughes did not stiot on the capital it put into Ferguson, injecting "several times" the initial £17m purchase price, to enable Ferguson to add branches by setting up new ones and buying up existing ones. As a result, Ferguson has grown into ooe of the top four plumbing supply companies in the South-East.

Both Mr Lancaster and Bunzl's Mr White continue to talk expansively about the U.S. Clearly the enormous American markets offer further oportunities. Bot at the same time the two companies cannot enjoy for ever the surge in U.S. economic growth which has belped to drive them forward over the past few years. Already this year there are signs that the U.S. economy has slowed down.

Nevertheless, for both Wolseley-Hughes and Bunzl the biggest step was getting started. As Mr White says: "We have got to the size now where we know what's going on in the business." The comment would be equally true coming from Mr Lancaster.

JAGUAR

CONTRACTS

£2m London Docks refurbishment

TAYLOR WOODROW CONSTRUCTION has started a £2.6m contract awarded by the Loodoo Docklands Development Corporation for repair works around a lock at the entrance to the West India, Millwall and Poplar Docks, scheduled for completion in October, 1986. Work includes general repairs and refurbishment to the Manchester Road lift bridge over the entraoce to the docks, including resurfacing the road, replecing the bridge bearings and repainting the steel structure. The lock gates will also be refurbished and sluices repaired. Granite sills at the bottom of the lock will be replaced and the lock walls, edges and the surface around the lock improved for use by pedestrians. Included in the contract is the repair and replacement of equipment in the docks' impounding station.

★

WILTSHIER SOUTHERN, Winchester-based construction company in the John E. Wiltshier Group, has won a contract worth £1.6m for work to the security area at Heathrow Airport for the British Airports Authority. Work has started, for completion during May 1986. Subsidiary company Wiltshier Reading is to extend the dining room at Athlone Hall, Royal Holloway College, Egham. The contract is valued at £150,000. Work is expected to take 23 weeks.

★

ASHBY & HORNER has won four contracts worth over £2.7m. Projects include building a 62-bedroom hotel at Kingston-upon-Thames for Anchor Hotels and refurbishing the interior of W. H. Smith's London headquarters in Holbein Place, SW1. At Portland House, Stag Place, SW1, alteration and fitting out is to be undertaken on the floor to be occupied by Southern Africa Europe Container Services. In Wynyatt Street, EC1, Ashby & Horner is building a four-storey office development for occupation by marketing consultancy Pegram Walters Associates.

★

BRITANNIA AIRWAYS has been awarded a contract by the Ministry of Defence for maintenance work on the RAF's VC-10 fleet. This is the first time Britannia has obtained an engineering contract from the MoD. Tha contract entails the complete exterior stripping and repainting of six VC-10s. In addition, Britannia will carry out an external structural corrosion inspection of the aircraft. The work, which has just commenced, will take almost a year to complete—eight weeks for each aircraft.

★

North West Thames Regional Health Authority has placed orders with ICL to the value of £1.8m. The orders cover implementation and training services provided by ICL Health Systems Business Unit, machine room preparatioo by ICL Technical Services, VME operating system licences and hardwaro. This is a further stage in the compnterisation of the district's patient administration procedures. Information on 1.6m patients is now held an computerisation indices throughout the region.

★

A repeat order for Chloropac electrochlorination equipment valued at around £200,000 has been received by **ENGELHARD** from Marathon Oil UK for its Brae "B" field development in the North Sea. The order covers the supply of a large skid-mounted electrochlorination package of 24 kg/h equivalent chlorine for chlorinating well-injection water, plus three smaller skid-mounted packages—12 and 24 cu metres/h feed-water flowrate electrochlorination units which use a synthetic brine feedsock, and an ultra-violet unit—for sterlising the rig'e potable water supplies.

★

The Manchester office of **MATTHEW HALL NORCAIN ENGINEERING** has been awarded a contract, valued at around £320,000, by Shell (UK), to provide project management and engineering design services for a Kerosene Merox Treeter II—a development at the Stanlow Refinery. When built on a green-field site within tha existing refinery and interfaced with offsite facilities it will comprise pre-wash, reaction and post treatment sections, process auxiliaries and utilities.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (exclnding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
1st qtr.	104.0	99.0	103	107.7	122.7	2,998	147.0
2nd qtr.	102.0	99.9	107	110.2	130.1	3,026	154.0
3rd qtr.	102.4	101.4	107	111.1	133.3	3,076	165.1
4th qtr.	103.2	100.9	105	113.6	164.0	3,103	166.5
November	103.1	100.9	103	112.7	149.6	3,102	167.6
December	103.6	101.5	104	115.6	194.9	3,108	161.3
1985							
1st qtr.	105.1	101.2	92	112.6	133.9	3,138	157.5
January	104.1	99.6	89	111.6	134.4	3,124	157.2
February	104.5	101.1	95	112.0	130.2	3,144	156.1
March	106.8	102.9	91	113.8	136.5	3,147	159.2
April	107.4	101.7		114.1	140.3	3,176	166.7
May				114.6	142.0	3,180	167.1

OUTPUT—By market sector; consumer goods, investment goods, intermediata goods (materials and fnels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
1st qtr.	100.1	93.9	110.5	96.3	113.4	96.0	16.2
2nd qtr.	101.4	95.7	103.3	98.0	107.0	97.2	18.0
3rd qtr.	101.9	98.2	104.6	100.8	111.1	97.9	16.2
4th qtr.	102.0	97.3	106.5	99.2	107.7	99.3	13.3
November	102.0	97.0	106.0	99.0	109.0	99.0	13.9
December	102.0	98.0	107.0	100.0	108.0	100.0	9.5
1985							
1st qtr.	103.1	97.8	109.5	99.4	108.8	100.0	13.8
January	102.0	95.0	109.0	97.0	102.0	99.0	11.7
February	103.0	98.0	108.0	99.0	109.0	99.0	13.2
March	104.0	101.0	111.0	102.0	115.0	102.0	16.6
April	103.0	100.0	113.0	101.0	110.0	100.0	17.9

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trada (1980=100); exclnding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
1st qtr.	108.7	112.1	− 57	+966	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−203	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−512	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+373	+1,468	96.1	15.52
November	118.0	120.8	−177	+213	+352	95.9	15.50
Decemberf	119.2	126.2	−344	+ 47	+743	96.0	15.69
1985							
1st qtr.	118.7	125.6	−1,347	+123	+1,862	95.6	14.80
January	116.6	118.6	− 86	+402	+926	96.0	15.52
February	121.7	124.6	−263	+207	+675	95.1	15.35
March	117.8	133.7	−999	−486	+260	95.6	13.83
April	119.6	126.3	−277	+223	+684	96.8	14.03
May	119.4	118.4	+224	+724	+835	97.1	13.98
June							14.32

FINANCIAL—Money snpply M0, M1 and sterling M3, bank advances in sterling to the privata sector (three months' growth at annual rate); building eocieties' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,874	8.50
2od qtr.	4.6	24.5	11.1	18.9	1,795	2,879	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,813	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
November	9.9	27.3	18.6	17.1	363	968	9.63
December	12.2	27.2	18.1	22.4	1,004	972	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.06
January	5.0	9.0	13.6	16.3	823	1,168	14.00
February	3.1	− 5.0	4.6	13.3	474	1,013	14.00
March	− 1.3	− 1.2	9.2	16.0	214	965	13.50
April	5.4	22.2	18.8	19.5	507	1,057	12.63
May	4.4	34.9	19.0	17.7	615	1,038	12.63
Jnne							12.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted valne of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	91.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.0	289.64	74.1
November	162.8	139.2	134.3	358.8	326.6	289.80	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	296.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.3	140.8	139.2	373.9	338.8	295.08	78.0
May		139.3	139.5	375.6	339.3	279.99	78.7
June						278.13	79.9

* Not seasonally adjusted.

TECHNOLOGY

EDITED BY ALAN CANE

Robots take the panic out of making recordings

WHEN A RECORDING artist decides to take the big step of putting something onto a tape or record, the high cost of studio time can sometimes stifle his or her creativity. Performers must rush in and out of a studio as fast as possible to avoid going too far over budget.

New equipment from Neve Electronics of Cambridge and computer software from Logica, a London systems house, promises to ease the pressure in the studio by making the sound engineer's job easier to accomplish and allowing the performer to relax.

On a typical studio-quality sound mixing console, there are literally hundreds of switches, knobs and slide controls. Whenever a piece of music is recorded, controls have to be manipulated in such a way that often several sound engineers are needed. It becomes desirable to have robot control of the mixing panel to save time and money.

The Necam 96 system from Neve acts as an on-board robot to accomplish this task. The system is a computerised mixing board with servo-motors attached to every switching device on the console.

A sound engineer can "build" the final mix by performing each switching function at leisure, assigning it to a certain time slot in the computer's memory and running tha program. The computer then activates the servo-motors at the appropriate times to move the controls.

Automated sound boards like this are not entirely new, but the Necam 96 is a substantial improvement over previous ones. More switches can be controlled than before, and no programming knowledge is necessary to operate the board.

Over a dozen worldwide orders for Necam 96 have been placed by organisations including the BBC, Disney Productions, Lucasfilm, Electric Lady Studios in New York and Mike Oldfield Studios in the UK.

"Orders have also been taken from such far corners of the world as Seibu Records in Tokyo and from Bulgarian Television," said Keith Smith, Neve's sales and marketing director.

BILL EVANS

Micro-chip Cinderella takes centre stage

Alan Cane on the hopes for gallium arsenide semiconductors

"GALLIUM ARSENIDE is the semiconductor material of the future." Dr Obert Tufte, principal research fellow at Honeywell's Physical Sciences Center, Bloomington, Minnesota, smiled wryly as he cracked the old joke, "Always has been . . . always will be."

Bnt a new optimism is in the air and micro-electronics companies from IBM to Nippon Telegraph and Telephone believe that this unearthly material is at last ready to fulfill its early promise.

"I believe 1985 will be tha year that gallium arsenide stops being the Cinderella of semiconductors," says Mr Alan Price, managing director of III-V Group at Plessey Engineering and Components in the UK: "Bnt all estimates of the size of the market are wrong."

That, at least, everybody agrees about. The most widely quoted figures are from the U.S. consultancy Strategic Incorporated which in its 1982 study Impact of Gallium Arsenide suggested that the market for smiconductors would grow from virtually nothing in 1984 to around $7bn in the U.S., $5bn in Japan and $2bn in Europe in 1994.

Few share Strategic's optimism. There is, nevertheless, general agreement that gallium arsenide has come of age, a development brought about by a powerful combination of political pressures and technological advances.

The principal property of this strange material—unknown in nature and manufactured by fusing together gallium and arsenic in a sealed flask at high temperatures—that gives it special appeal to the chip maker is the speed at which electrons move within its crystal structure.

In theory, the speed can be up to five times greater than in silicon although that it rarely realised in practice. It does mean, however, that gallium arsenide (GaAs) is an ideal material for building chips for superfast computers.

Last week, Honeywell researchers announced they had developed a simple device containing a number of transistors in which electrons travelled from the input to the output of the device in 11 trillionths of a second at room temperature

Gallium arsenide bas other advantages over silicon. It is resistant to ionizing radiation, of crucial importance to applications in military equipment and in space.

Just es important for military purposes is the resistance of gallinm arsenide circuits to heat Silicon devices improve with cooling and deteriorate with heating. Gallium arsenide devices work comfortably at 200 degrees C., 75 degrees above the maximum for silicon.

Furthermore, gallium arsenide devices consuma less power than their silicon equivalents, an important factor to semiconductor manufacturers anxious to cram more components on to their chips without generating too much beat or electrical disturbance.

But gallium arsenide chips are difficult and expensive to make and for most purposes silicon will remain the semiconductor of choice.

As Mr Shaun Shaunfield, deputy manager of Honeywell's gallium arsenide integrated circuit product centre put it: Gallium arsenide chips will complement silicon chips rather than compete with them

Since the mid-1970s, telecommunications specialists have understood the importance of gallium arseulde components in microwave work—these components work in analogue, rather than digital fashion, in exactly the same way that silicon circuits can be analogue or digital in nature.

The major change in the past year or so is tha realisation of commercial gallium arsenide integrated circuits. Harris Microwave Semiconductor and Gigabit Logic, both Californian companies shared the honours last year when they introduced small gallium arsenide logic circuits on the open market.

The reasons it took so long for such a development lay both in the difficulty of creating tha chips and the lack of market demand for them.

It has proved a complicated task to manufacture gallium arsenide crystals of sufficient size and purity to make the production of chips an economic proposition.

Plessey of the UK claims in fact that it created the first microwave integrated gallium arsenide circuit in the mid-1970s, hut it was defeated by its inability to manufacture more than a few.

The raw gallium arsenide crystals were small, not too pure, trapezoidal in shape, and according to Alan Price: "It is only in the past three years that we bave had round slices of gallium arsenide to work with."

Gallium arsenide chips are still at least twenty times more expensive than conventional silicon circuitry and this explains the real reason why they are taking so long to fulfill their potential.

The same equipment used to fabricate silicon chips can be used for gallium arsenida chips —the production processes are virtually identical — but that equipment is fabulously expensive.

Without a certain market for the products, few manufacturers would invest in such facilities. It took the U.S. Department of Defense in 1983 to award a contract worth $18m to Rockwell and $12m to Honeywell to establish a pilot line in the U.S. to test the market.

Now that the need is clear, two groups of gallium arsenide developers have emerged. Those that are interested in the material for use in their own systems as well as the basis of a components business like Plessey, Hughes, Honeywell, Ford Microelectronics and Harris.

And the merchant chip makers Texas Instruments, Motorola, Vitesse and Triquint, the Tektronix subsidiary.

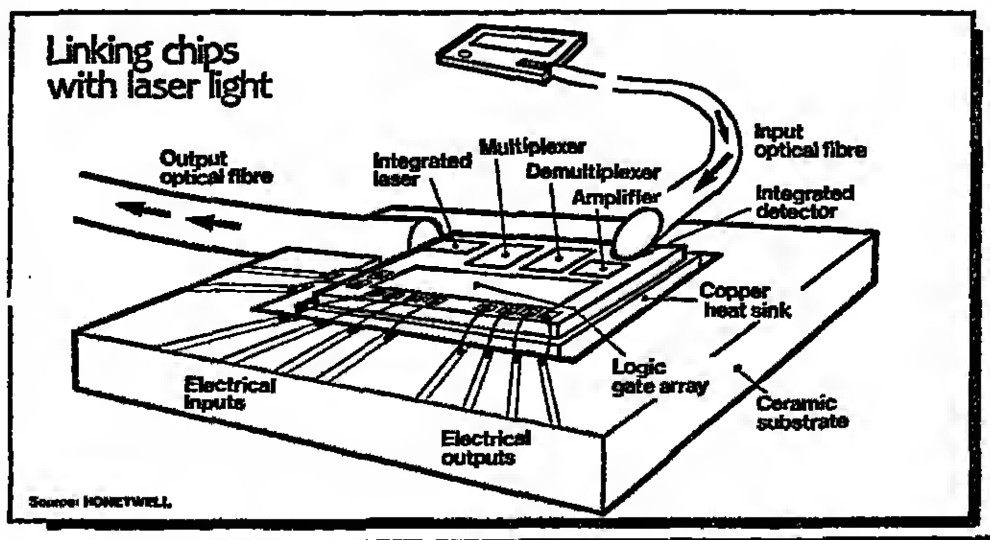
The distinction between the two groups may be blurred at the edges but one thing seems certain; gallinm arsenide has slipped its leash for good.

THE BUBBLE suit is standard dress for workers at Honeywell's Colorado Springs electronics plant where even the tiniest impurity can disrupt production.

The static-resistant suit has purified air circulating within it and incorporates a double screen, enabling the user to lift the visor in order to work at a microscope.

Here the operator is removing a super-size six-inch wafer from a teflon "boat." The wafer holds 240 high speed chips which process millions of signals per second, compared to the thousands of impulses of ordinary integrated circuits.

Honeywell's "class 10" cleanroom is 10 times cleaner than the usual chip manufacturing plant.



Making light work of linking up chips

GALLIUM arsenide has an important property forbidden to silicon. When electrically stimulated, it emits light. This is why it can be used as the basis of light emitting diodes and solid state lasers.

It also makes it possible to use light to link chips, circuit boards and complete computers. Optical connection means that information is transmitted as a series of pulses of light along a fibre optic cable rather than as electrons along a copper wire. ICL, for example, in its new family of large machines, the Series 39, uses fibre optic links to transmit data from one element of the system to another.

But there is also great interest in connecting together individual chips using light. Why? First because the distances electrons have to move in the connections between one chip and another are so much greater than the distances inside the chip itself that the interconnections limit the speed at which the chip can operate.

Light connections are much faster and can carry a greater number of signals—an answer to the "pinout problem" in conventional very complicated chips where 200 or more individual input/output lines may have to be connected to a single chip.

Furthermore, light is not subject to the electrical distortions caused by crosstalk, sparking or ground loops which bedevil conventional electronics.

Honeywell's Physical Sciences Centre has created hybrid chips (see left) in which high speed conventional circuitry and optical circuitry are combined on the same chip using gallium arsenide detectors to sense incoming signals and gallium arsenide laser mounted on the chip itself to transmit signals to other chips.

As well as helping to solve Honeywell's problems in connecting high speed circuitry, it is another step along the road to the light operated computer.

Sensor for blast furnace

A CARBON sensing device that can be used with other equipment to monitor and control steelmaking furnace atmosphere is being distributed in the UK by Land Pyrometers of Dronfield, Sheffield.

Originally developed by Corning Glass Works of the U.S., it is a tubular-shaped probe that fits into the thermocouple port of a furnace and responds in seconds to any changes in carbon content.

The probe works by measuring the oxygen concentration in the furnace and comparing it to a reference sample of "ambient" air sealed in the tube. Through an electro-chemical process, a voltage is produced that corresponds to the difference between the two oxygen concentrations. Once the oxygen differential is known, the carbon content of the furnace atmosphere can be determined via fixed oxygen-carbon stoichiometric relationships.

Control modules are available that detect changes in the oxygen voltage and respond according to user instructions. The modules can be connected to a computer system to provide even greater control.

Robot bonus for fork lift

CLARK HAS introduced a new range of fork lift trucks priced competitively thanks to robotic manufacturing which the company believes will win it a larger share of the UK market.

The Clark M truck follows a three-year study of the European market. It has fewer working parts and many components are interchangeable.

The truck can be powered by diesel, electricity or liquefied petroleum gas and the range covers 2 ton, 2½ ton and 3 ton applications.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

U.S. direct marketing

24m phone calls for Cap'n Crunch

Frank Lipsius on the growth of 'easy chair impulse buying'

I'M TIRED of hearing from Faye Wattleton. It's bad enough that Kathryn Hepburn drops me a line from time to time. In fact, I get so many letters from her I don't bother to open them any more.

Faye Wattleton I don't even know, and yet she writes to me: "Dear Friend, my anger is not very easily aroused."

I would characterise my anger similarly, but the junk mail has been piling np so much lately that I'm ready to talk back even to Kathryn Hepburn, Joanne Woodward, and Mark Spitz, all of whose names appear without addresses on the npper left hand corner of junk mail from some worthy cause.

Charities and financial services are considered two of the greatest growth areas in direct marketing, the polite name for junk mail, telephone solicitations and free phone services that in America now constitutes a $12bn business, fully a third the size of the market through normal retailing channels.

Minority

Those of us wbo complain are a distinct minority, according to an industry-sponsored survey which showed that although 42 per cent of bouseholds questioned thought they were getting too much junk mail, only 3 per cent threw it away without opening it. Sixty-seven per cent of the survey opened all the junk mail sent them.

The Direct Marketing Association has instituted the Mail Preference Service to allow people to bave their names removed from mailing lists, but of the 1m people who contscted the association last year a majority asked to be *added* to lists.

Once associated almost wbolly with "junk mail," direct marketing consists increasingly of both 'pbone and postal solicitations, with use of the pbone divided between "inbound" and "outbound" telemarketing. While outbound calling now encompasses computer and buman contact, inbound direct response bas experienced dramatic growth with the use of AT&T's 800 free phone service. With 412,000 numbers in the interstate 800 system, which can cover e region or the whole country, there were 2.8bn 800-number calls in 1984 compared with 7m in 1967.

As an industry, direct marketing took off following the demographic shifts of the last decade which orougbt increasing numbers of women into the workforce and out of the daily sbopping routine. Even department stores recognise the need to reach out to shoppers at bome and turn increasingly to catalogues to sell their wares.

For Bloomingdale's, the New York-based department store chain, direct marketing allows the company to go nationwide with its selection of fashion that projects the company image of being "trendy, fashionable, first," notes Barry Marchessault, the president of Bloomingdale's By Mail, a separate unit of the company. Just threa years old, Bloomingdale'a By Mail prodnces a dozen general catalogues and two dozen speciality ones, with the numbers constantly growing for goods that are serviced from a separate inventory to retain the reliable service necessary to maintain the business.

For Carson, Pirie Scott, tha 21-store Chicago department store chain, direct marketing bas been a way to challenge Marshall Field's supremacy among midwestern department stores.

Having paid $5m last year for MacDonaid, the catalogue retailer, Carson is benefiting from direct marketing both in the new outlet for sales and in the chance to improve the image of its department stores. Its Chris Craft catalogue, so-called under licence from the pleasure boat builders of that name, is meant to boost Carson's profile as a style conscious, high-price purveyor of goods for the leisure classes.

Other direct mail companies, like Eddie Bauer, the maker of outdoor and sports clothing, are opening retail outlets to complement the direct marketing part of its overall retailing atrategy. Cbernin's Shoes, a Chicago retailer, finds that direct mail promotes store traffic "because it's personal. It's got the person's name right on it, and it goes right to their homes," says Chernin's president, Donald Lord, who finds direct mail more successful than newspapers, television or radio advertising.

Targeted et the 700,000 people wbo have bought a pair of the company's shoes in the past two years, the campaigns elicit an astounding 25 to 30 per cent response, the result of being able to pinpoint customers and including $5 discount coupons for any shoe in the shop.

Direct marketing is aimed even at children. Quaker Oats had a notably successful campaign with an 800 number on the back of cereal boxes for kids to get clnes for a treasure bunt. It expected 10m calls, bnt actually received 24m in the four month campaign, thus increasing sales by Cap'n Crunch by 62 per cent and market *share by 33 per cent.*

The phone company's competitors are also forced to resort to AT&T's 800 numbers to solicit business for their alternate long distance services. Along with television commercials soliciting subscriptions to newspapers and magazines, the the alternate phone services like Sprint and MCI are among the major users of 800 numbers aimed at inbound direct marketing.

video disc

AT&T advertises its services with an 800-number of its own to get others to try direct outbound telemarketing, but it is also going outside its system to tap into new technologies in direct marketing, like video disc systems. AT&T is putting video-disc kiosks in shopping malls and Phone Centre Stores to show what kinds of phone are available without tying up salespeople.

Not surprisingly, the growth of direct marketing is reflected in the gains made by American direct marketing agencies, with Karl Rove & Co, DFS Direct, Brown Direct, and MacDantz Direct among those more than doubling their billings in 1984. The top agencies including Wundeman, Ricotta & Kline; Ogilvy & Mather Direct Resnpose; the Direct Marketing Group and Krupp/Taylor, all had growth rates of at least 25 *per cent last year.*

"Easy chair impulse buying" is increasingly the aim of American direct marketing, according to New York consultant Rex Hearn. With 14 per cent growth in direct mail in 1984 to $13.4bn, the sale and rental of subscription lists and those of organisations is itself a business that is gaining in sophistication. Computers allow the culling of lists down to precise demographic specifics. One of Saatchi & Saatchi Compton's less publicised purchases earlier this year was New York-based Kleid Company. Tbe direct marketing and list consultant cost $4m with adjustments that could push the price to $11m depending on profits through to 1987.

Though riddled with exceptions, the current rule of thumb is that 20 per cent of an advertising campaign goes into direct marketing, showing the degree to which companies are reaching out to customers at home.

Christie's American auction bonse solicits catalogue sales through the mail, while one day's postal delivery will fill the average household's box with letters from a variety of magazines, stockbrokers and catalogues along with charitable appeals from Planned Parenthood, United Farm Workers, the American Friends Service Committee and Memorial Sloan Kettering Cancer Centre.

Even American professionals are tapping into direct marketing, with lawyers, dentists and travel agents soliciting business in their cities and neighbourboods. Companies are supplying dentists and accountants with newsletters for clients while lawyers send letters with an enumeration of their services and accessibility.

Video retail shops find newsletters an important sonrce of building loyalty, with news of new releases mixed with sale items meant to increase store traffic.

So clogged has the postal delivery system become with direct mail that traditional mailing schedules have to be rejigged to avoid overlaps at the busiest times of the year, according to Kathleen O'Shaughnessy of O'Shaughnessy and Associates in New York. Bnt as long as Americans keep opening their mail, they'll be hearing from Kathryn Hepburn, Faye Wattleton and the Sloan Kettering Cancer Centre.

"WE know you're an advertising whizz kid, Sancho, but then we're your merchant bankers not prospective shareholders."

Getting in while the going's good

Marketing services groups are rushing to go public. Feona McEwan explains why

THE NOW familiar guessing game of "who next will go public" in advertising circles looks like hottiog up. So far 18 companies can be counted in the marketing services sector, and—if industry watcher Neil Blackley, senior analyst at James Capel, bas got it rigbt—another 18 or so are talking of joining the club by the end of 1986.

The stock market, once alien territory to the marketing services industry, is hecoming a much sought-after resort for ambitious UK agencies.

"Fundamentally the sector, although now deflated, is particularly good value with fantastic growth opportunities," saya Blackley. "Investors need to become more selective towards the sector," which has a combined market capitalisation of around £750m, excluding Extel and Saatchi's convertible issue.

There bave heen some upsets recently. It is true—Good Relations City hranch in flux, Craton Lodge Knight, the design group, showed a downturn in interim profits, Geers Gross warned of similar at its annual general meeting and Kingsland Lloyd Petersen, the sales promotion house, revealed interim figures, "a little dull," at the same time as former client Asda, the superstores chain, announced legal action.

Bnt despite this, sales promotion, design consultancies and puhlic relations are particularly booyant. Investors should identify arees of "growth nicbes" (for example, in sales promotion, direct response is doing well; in advertising and PR, the financial sector is growing strongly), according m Blackley. "Another growth area is, of course, the international network, a route many agencies are pursuing, and with London'a creative reputation, they are ideally placed," be says.

That other yardstick to company bealth, good management, can be gauged by monitoring earnings per share growth over the last five years.

However, by mid-1986 the picture could be quite different. "The window may be narrowing around June," warns Blackley, "and for companies coming to market it might be advisable to come sooner rather than later, providing, of course, they are ready in the first place."

By 1987 there are likely to be political fectors to consider, always an unsettling influence on the City. Also, with the marketing services sector swollen to inclnde more of the same, "it will be barder to find that point of difference and point of uniqneness that distinguishes one agency from another," says Blackley.

One reason for seeking a flotation has always been the publicity and prestige value, and this, be says, will be significantly lessened as more seek it. As a result, among the principal reasons for flotation will be the chance to grow by acquisition (as well as organically) and the setting-up of sbare option schemes to tie in and motivate key employees.

"It's an immensely distracting business," says a spokesman for Morgan Grenfell, the merchant bankers whicb sponsored Boase Massimi Pollitt and Lowe Howard-Spink Campbell-Ewald's flotation and edvised Wight Collins Rutherford Scott. "I always tell people and they never believe me, that they will spend much of the time living bere at least in the last two months during the drafting of the prospectus. I tell them to put a line through their diaries, no holidays at all for the last eight weeks." This usually epplies to two key figures, the proprietary figure and tbe financial "numbers" figure.

For en agency which consequently shifts focus, bowever fleetingly, this can be a disruptive time. Lowe Howard-Spink is a good example—after the relative lull of the flotation period there has been new business, new top management figures, and exciting work happening.

"The prospectus is like a highly tuned motor car," says the banker. "Every single word is agonised over and then there's the ghastly process at the end, the verification statement when lawyers crawl over every syllable to check the accuracy."

So the City's confidence in the sector remains. "The high multiples and high ratings are being justified by the growth being delivered" (about 20 per cent per annum), continues the banker. And the industry has shown itself to be essentially stable, he says, as Saatchi's has spelt out in subsequent annual statements over the last five years. "Brokers still get very

Other reasons for the City's continuing interest include the growing overall adspend; increased productivity in agencies (fewer people employed); few shares around which pushes prices up; and of course the market's rerating of the sector "from the lowly beasts of 10 years ago to the glamour stock now." It remains to be seen whether the downturn in the past six months in TV revenues will show any dent on performance of the mainstream agencies which rely substantially on TV.

Grey power ignored

THERE IS an estimated $800bn worth of spending power pottering around U.S. golf courses, simmering in the Sun Belt, or simply sitting at home — and it is still largely ignored by American marketeers.

The average ageing or elderly American has far greater resources than younger sections of the community, according to a new study published by The Conference Board, an independent, industry-funded service and research organisation.

The greys, as they are affectionately known, could fairly easily be persuaded to part with some of their wealth in return for more luxuries, the board suggests.

Households run by the over-50s, the study reports, have about half the nation's discretionary income at their command. They also account for more than 42 per cent of all consumer demand, compared with 32 per cent for 35 to 50-year-olds and 26 per cent for those under 35.

This, the board claims, is a new pbenomenon. "Today's older population is markedly different from any preceding generation. Only in recent times has it been possible . . . to accumulate sufficient resources during their working lives to make for a reasonable degree of security during retirement."

As a household ages, its basic needs taper off. "With decreasing needs but fairly sturdy income, the elderly represent a promising market for many luxury goods, services and quality merchandise," the report adds.

In the 50 to 65 age group 79 per cent own their homes; the figure is 72 per cent for the over-75s. Half of the former group have paid off their mortgages, as have over 80 per cent of those over 65.

While many elderly people live in precarious circumstances, particularly women living alone, poverty rates among the old have fallen sharply in recent years and are now lower than the rates for the rest of the country.

Christopher Parkes

Company Notices

GOLD FIELDS OF SOUTH AFRICA LIMITED
(Incorporated in the Republic of South Africa)

Declaration of Dividend—Convertible Redeemable Cumulative **Preference Shares**

UNITED KINGDOM CURRENCY EQUIVALENT

In accordance with the Standard Conditions relating to the payment of dividend No. 2 declared on 13 June 1985, in respect of the 5% Convertible Redeemable Cumulative Preference Shares, payment from the office of the United Kingdom Registrar will be made in United Kingdom currency at the rate of Exchange of R2.566336 South African currency to £1 United Kingdom currency, this being the first available rate of exchange for remittances between the Republic of South Africa and the United Kingdom on 1 July 1985, as advised by the Company's South African bankers. The United Kingdom currency equivalent of dividend No. 2 of the preference shares is therefore 58.744005p per share.

By Order of the Board,
Per pro CONSOLIDATED GOLD FIELDS PLC,
London Secretaries,
Mrs. G. M. A. Gladhill, Secretary.

London Office:
49 Moorgate,
London EC2R 6BQ.

United Kingdom Registrar:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London SW1P 1PL.

2 July 1985

LEUMI INTERNATIONAL INVESTMENTS N.V.

US$75 MILLION GUARANTEED FLOATING RATE NOTES 1986
(Extendible to 1989)

The Interest rate applicable to the above Notes in respect of the six month period, commencing 28th June 1985, has been fixed at 8⅛% per annum.

The interest amounting to US$43.92 per US$1,000 Nominal to US$439.17 per bond of US$10,000 Nominal and to US$4,391.67 per bond of US$100,000 Nominal will be paid on Tuesday, 31st December 1985, against presentation of Coupon No. 13.

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By Order of the Board,
Group Secretary,
R. D. THOMPSON.

13th June 1985.
Fleet House, Lee Circle,
Leicester LE1 3QQ.

Public Notices

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A. TAYLOR
A Principal in the
Department of Trade and Industry

4 July, 1985.

Clubs

EVE has outlived the others because of a policy of fair play and value for money.

Educational

Art Galleries

BROWSE & DARBY. 19, Cork Street, London, W1.

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FINANCIAL TIMES
PUBLISHED IN LONDON & FRANKFURT

INTERNATIONAL & BRITISH EDITORIAL, ADVERTISEMENT & CIRCULATION OFFICES

THE ARTS

Old Masters/Roy Strong

In praise of martyrs, old and new

Those who visited the exhibition of Ferrarese art at Matthiesen Fine Art Ltd, and remember its distinguished quality, will not be disappointed by its successor — *Around 1610: The Onset of the Baroque* (until August 16). It is not an easy exhibition in which to get our bearings, for we are presented with tantalising pieces of a jig-saw within the history of the visual arts in Europe that was to culminate in the emergence of the full baroque style in the Rome of Urban VIII with Bernini and Pietro da Cortona; and in Flanders in the figure of Rubens.

England in 1610 was in the seventh year of the reign of James I, a king with no taste for the visual arts and quite content to prolong the are of the Elizabethan icon. His son, Prince Henry, was created Prince of Wales in that year and set about collecting the first collection of art for art's sake in this country. The baroque was never really to be assimilated here, though: there was rather a subconscious rejection of it as the visual expression of Counter-Reformation Catholicism and absolutist principles.

Even after all these centuries, this still affects the way in which we look at these objects. The beautiful Domenichino of *St Ignatius Loyola's Vision of Christ and God the Father* at *La Storta* presents us with a devotional scene epitomising the new Catholic piety. In the midst of a landscape the saint gazes up to heaven in ecstasy while God the Father, Christ and adoring angels descend. The gulf between this picture, painted between 1622 and 1626, and the attitudes of the populace of puritan London at the same date in opposition to a Catholic match for the future Charles I, was enormous.

This is important to grasp for the images in this exhibition span 1580 to 1620, a period in which in the end witnessed the ideological polarisation of Europe. The religious art is the new triumphalist art of a militant Catholicism exulting in martyrs old and new, emphasising strongly the glories of such a death and the celestial reward to come.

Saraceni's *Martyrdom of St Cecilia*, heavy with Caravaggesque dramatic *chiaroscuro*, shows the saint, her mouth ajar, anticipating the sword of her executioner but also expressing her faith that she is about to ascend the pathway to which an angel points. This is the new iconography designed to inspire the faithful to emulation.

Two other pictures are in the same vein, both by Albani and both of the Magdalen. In one she receives communion in the desert at the hand of an angel while, in the second, she looks upwards as an angel bears away from her a whip for self-flagellation. Both subjects were designed to exhort the faithful to a renewed devotion to the sacrament of penance.

Portraiture occupies more neutral ground. Guido Reni is not an artist who springs to mind in this genre but the three-quarter length of the Cardinal Scipione Borghese is an impressive discovery. Painted early in Reni's career, it depicts the sitter standing at a table. It is the placing of the figure that is so strange, for the cardinal is moved quite far off-centre to the right, the balance sustained only by the action of his right hand in picking up a bell.

Even more intriguing is a portrait by Tanzio da Varallo (a follower of Caravaggio) of a military commander in costume of the 1620s; it is vigorous in the warts and all tradition, which is totally at variance with the attributes of rank displayed: a gold-tipped baton, a golden sword hilt, and a hat with crimson plumes secured by a huge diamond-studded jewel.

Although the subject matter did not travel to the Protestant north, its stylistic ingredients did. Gerrit van Honthorst is an artist who took the Caravaggesque to Holland, where he worked for its Standtholders as well as for Charles I and Christian IV of Denmark. The lovely *Diana and her nymphs* shows him using these elements in a mythological twilight celebration of the virtues of chastity.

I leave my two favourite pictures to the end, the first being Joachim Wtewael's *The Battle between the Gods and the Titans*. Its appearance is something of an anomaly, so pure an expression is it of the Mannerist era. The battle is a bloodless ballet of elegant elongated male nudes against a dramatic vista of mountains and clouds. This was just the type of tiny picture sought after to adorn the cabinets of Rudolf II in Prague, or those of the nascent connoisseurs of Jacobean England.

The second picture, too, in its wealth of esoteric allusion, belongs to the same ethos. It is Agostino Carracci's portrait of Judith bearing the head of her husband, Holofernes. Not a drop of blood falls from that severed neck. She is a lady of ample proportions wearing a dress adorned with celestial motifs: the sun and moon and stars in allusion to her maiden name, Luna, her first name, Olimpia, and to her husband's celebration of her as his Sun. It is a complex programme recalling the milieu that produced the symbolic portraits of Elizabeth I.

Prints never excite the public as much as they should. A visit to Colnaghi's *Master Prints—Fifteenth to Nineteenth Century* (until July 13) should reverse the attitude of even the most recalcitrant. The impressions are, in the main, brilliant ones; and there is the chance to see at least two spectacular items before they no doubt leave these shores.

One is the *Rape of the Sabine Women after Polidoro da Caravaggio* by Cherubino Alberti, a narrow frieze of a composition printed on golden silk. Equally, if not more important, is the Mantegnesque engraving of the *Virgin adoring the Child*, which is closely related to a surviving drawing. Both these are intriguing items in art historical terms which will evoke much spilling of learned ink.

But, for the ordinary visitor, just let the eye meander with pleasure, respond to the sensitivity of line and miraculous massing of dark and light—and be thankful for the generations of artists who gave of their best in this medium.

Muti/Festival Hall

Max Loppert

Riccardo Muti returned to South Bank on Tuesday to conduct the first of four July concerts with his old orchestra, the Philharmonia. The concert stirred memories, some of them quite recent, of the period when under his aegis the orchestra laid claim regularly to the title of London's best orchestra (in more recent times, under other batons, the claim has been set aside comprehensively).

All evening, the playing was on a high level. The sound was fresh, clear and true. Every combination of texture found its exact degree of blend and balance. In all departments, lines were drawn taut; the music-making was marked equally by vitality of temperament and lucidity of sonority. Unlike in his early London days, Muti on this occasion resisted the temptation to impose his directional stamp on everything, to drive his image home.

In the bewitching performance of the early Mozart symphony, K182 in B flat, that opened the concert, the rhythmic movement possessed a properly 18th century muscularity (in spite of the large complement of modern strings) which caused no inhibition of individual expressiveness — in the *Andantino grazioso* there was a wonderful display of delicately "personal" woodwind playing. The hortatory opening drum roll of the Brahms D minor Piano Concerto shocked one into instantly excited attentiveness, as it should, yet the orchestral writing was never allowed to become merely excitable; the union of classicism and romanticism in the conductor's approach was taken up with disciplined eloquence by the players.

And by the soloist, Radu Lupu, who for the occasion brought out the reserves of power — physical, emotional, intellectual — that he so often keeps under lock and key. It was a reading of noble largeness, of unfettered attack and appropriately weighted force of sound, that always kept in view the special command of "smallness" for which the pianist is noted: one noted with admiration not just the sweep and stride of the solo playing but also its acutely poised, individual touch in accompanying figures. The instrument itself was not ideal (unevenly registered, and a touch "shallow") but Lupu soon made one forget its failings.

This was, in sum, two-thirds of a red-letter concert. The middle third brought dullness, in the form of Raymond Premru's Music for Three Trombones, Tuba and Orchestra—written for and first played by the Philadelphia Orchestra, given here its British première. Premru, American-born and British-based (as a Philharmonia trombonist, he was one of his own four soloists), writes dogged sub-Hindemithian argument, serious in purpose but mostly devoid of animal urgency, and scored very drably. The fact that, for shortage of money, the Philharmonia was forced to replace its planned Muti performance of Varèse's *Arcana* with this half-hour of worthy nothingness inspired some gloomy thoughts.

Red Noses/Barbican

Michael Coveney

The re-establishment of Peter Barnes as one of our major dramatists has been long overdue and, whichever way you react to this extraordinary morality play with a group of crippled and religious entertainers cheering up the doomed victims of the Black Death in 14th century Avignon, there is no denying the sweep, decadent splendour and outrageous banality of the Royal Shakespeare Company production.

After the antics and frothing power games in *The Bewitched* 10 years ago, the same team of director Terry Hands and designer Farrah create another bizarre gothic setting of crucifixes, pestilential smoke and masque-like effects: Pope Clement VI (Christopher Benjamin) is first seen descending from the heavens protected against infection in a huge ecclesiastical condom to which are attached a grotesque arm and a leg.

It would be difficult to claim that Mr Barnes's relentless punning and studiously antithetical sentence constructions do not, after a couple of hours, become wearying. And what, in the end, does the play actually say? That no situation is too lurid for a laugh and that, when the chips are down, an artist who provides meringue instead of meat when the audience is starving is irresponsible. The sombre righteousness of such a stance would be intolerable had Mr Barnes not also taken care to interest us in the raggle-taggle bunch of misfits who caper across the smoking landscape in the wake of their clownish leader, Marcel Flote.

The story is picaresque, not densely plotted, and it reminded me of those curious subversive religious expeditions that characterise late 19th-century Latin America (Varga Llosa's last novel, *The War at the End of the Worlds*, documents the phenomenon). Mr Barnes, however, gives us a sideshow brigade of a blind juggler, a stuttering ventriloquist, a one-legged (each) dance duo, and a series of vaudevillian knock-down lines in such well-tried end-of-the-pier vein as: "I've suffered for my art; now it's your turn," or "I used to think I was indecisive, but now I'm not so sure."

Audiences literally keel over and die laughing. A brilliantly controlled corpsing outburst by Flote and his company ends with someone declaring, "If I laugh I'll die" and doing so. The communal life of the troupe is clinched in a memorable alfresco meal scene, the juggler throwing soup everywhere, the ventriloquist finding his own voice and the beautifully expressive bell-ringing jester (Jim Hooper) transfigured then struck down the minute the plague is over.

Summoned to Avignon, the "Flottistes" are entrusted with a war time, ENSA-like mission. It is a brave structural step to take the play on after the plague to the real reign of terror: the return to normality, with hangings and incinerations for Flote's rival groups of scavengers and flagellants.

Antony Sher plays the capricious, mock innocent Flote with a deft spasmodic genuflection-come-dance-step the moment he addresses the Almighty and a quiet, gnomic asperity elsewhere. He leads by example—no one, except the Pope cracks worse jokes ("I'm giving up hope for Lent")—and gentle, soft-shoe shuffles of persuasion. I think the sympathy and warmth invested in their characters by Sher and Pete Postlethwaite make the great difference between this show and the rather arid excesses of The Bewitched.

The humour of our most gifted contemporary Jonsonian works better, too, than it did in the fun-shows of Tsarist Russia and Auschwitz in *Laughter* some years ago. This is because the right *weight* for the music hall element has been measured, with the play built around the climactic internal morality plays. A splendid cast falls on this material with a whoop and a relish: Bernard Horsfall, Peter Eyre and Polly James following Flote, Richard Easton as the treacherous disciple and Nicholas Farrell as the prime flagellant who stops at nothing, not even cutting his own throat, to give himself a thrill. In all, this is a large event given by a company that is rightly paid to be large in a production that is full of ambition and ingenuity.

Alastair Muir

Anthony Sher and Jim Hooper

Alastair Muir

Jan Revere, left, Roger Allam and Liz Moscrop in Dreamplay, the Royal Shakespeare Company production which opened at The Pit in London last night

Trouble in Paradise/Stratford East

Antony Thorncroft

Randy Newman is the thinking man's Bruce Springsteen, the chronicler of contemporary America who best mixes love and hate, irony and idealism, towards the land of the free and the morally costly. Susan Cox has hit on the brilliant idea of staging 32 of his songs in a continuous flow of wit, pathos and bad taste; and the result is the best reason for going to east London in years.

The only loser from the evening is the Randy Newman stage show. His plangent, low key, dismissive interpretations of his songs will now seem wooden in comparison.

For the second inspiration at the Theatre Royal has been to recruit four attractive performers — Peter Straker, George Costigan, Belinda Lang and Fiona Hendley — plus a strong band, to punch over the music. It is rare these days actually to enjoy looking at singers on stage, but this is a very animated quartet: the girls are positively sexist.

Some songs, like "Christmas in Capetown," are sung (this one by Costigan) straight to audience, with hardly suppressed fury; others are performed — Straker, in fine voice, observing a stricken Ms Hendley in "Real emotional girl."

There is a set — three red doors, opening on to a deep blank space, suggesting perhaps alienation — but attention rarely shifts from the performances or the songs. The show works because of the Newman range — the self-mocking "Lonely at the top," the plaintive "I think its going to rain today," the psychotic "My life is good." It is well worth soaking up *Trouble in Paradise* before it goes West.

Coppélia/Coliseum

Clement Crisp

Coppélia is a rather more serious ballet than companies and audiences sometimes choose to think. Its Hoffman-inspired narrative touches upon alchemy, the creation of life, the nature of love. Its characters may seem papery but Swanilda is a darling role in the right hands (and feet) while a good Coppélius can make us aware of the central mystery of the tale, whatever the modifications wrought on it by Second Empire taste. And Delibes' score is one of the supreme achievements of theatre music in the 19th century.

What we have in only small part is a fabric of historic choreography of any obvious merit. The first act *ballabile* for Swanilda and her friends is very fine; I have an unreasoning affection for those *Dawn* and *Prayer* variations which seem carved from ancient pieces of toilet soap; the rest is up to the imagination of producer and designer, to rehabilitate the drama and make some sense of the stamping and goulash-ery of the peasant horde.

Ronald Hynd, who has provided the new version which Festival Ballet showed us on Monday night at the start of its summer season, knows *Coppélia* from his years with the Royal Ballet; and as his delightful programme note suggests, he has been inspired by memories of those joint divinities of this ballet, Alexandra Danilova and Pamela May, whose performances as Swanilda were as near perfection as we can ever hope to see.

His staging preserves some of the old Sergueyev manner from the Royal Ballet; elsewhere, Hynd has created ensembles of bright verve while seeking to increase the dramatic logic of the action, making Swanilda the Burgomaster's daughter, converting the *Fête de la cloche* into a final harvest festival. All in all, very good sense; and his revised dances sit well with what he has rescued from a by-no-means sacrosanct Ur-text.

The problems with the version are two-fold. Desmond Heeley's design turns the Galician village scene into something run up by a baroque pastry-cook, and then complicated with peasant handicraft. Quaint it most certainly is, but also charmless and distracting. Coppélius' work-shop looks as if Miss Havisham had leased her attic to Baron Frankenstein, so cluttered and dingy is it: and there is an insane model of George Stephenson's Rocket as a galvanic machine onto which Frantz and the supposed Coppélia are wired while wheels spin and lights flash, rather as if we were watching a double execution on Galicia's Death Row.

Costuming is determinedly supererogatory. Pretty if complex dresses for the girls are matched by the boys' outfits whose acride blue jerkins are edged with quantities of fur from beasts I trust are now extinct. The effect is to distract from the sincerity of the theme, the probability of the locale, and take us to the wilder shores of Pantomimia.

The second problem is that Delibes' score is nowhere honoured in playing. It would be hard to recall a more leaden account of the third-act waltz, or a more generally uningratiating view of music whose unbounded delights should inspire every step, every moment of the action. The gold of this sublime *musique dansante* was made lead; and it is no wonder that Festival's cast gave performances lacking in elastic rhythms, nuance and prettiness in classic variations, or panache looked like a not-very-happy in ensembles. The evening dress rehearsal, and we can but hope that experience and judicious editing of the clutter on stage, plus subtler orchestral interpretations, will allow Mr Hynd's sound staging to shine, and its casts to give more sparkle to the tale.

Eva Evdokimova battled to suggest a Swanilda of airy grace. Peter Schaufuss threw off some pyrotechnics of step. It was Niels Bjorn Larsen, the eminent Danish guest, who brought credibility to the piece, steering a brilliant course between Coppélius' eccentric humours and his ruined dreams of alchemic success. Elsewhere, Festival's artists were breezy if not particularly bright.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

June 28–July 4

Exhibitions

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

BRUSSELS

Hotel Metropole is celebrating its 90th year and in its splendid *fin de siècle* public areas, worth a visit in themselves, they are exhibiting glass and objets d'art from the Belle Epoque to Art Nouveau including works by Wouters, Gallé and Daum. Also on show are a collection of illustrated menu cards including a Press Banquet in 1893, Congo in 1898 and Sarah Bernhardt in 1896. Ends July 20.

Opera costumes from 1950 to the present including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. Musée de Costumes et Dentelle. Until November.

Tony Cragg – a major exhibition of one of Britain's contemporary sculptors. Palais des Beaux Arts. Ends July 28.

CHICAGO

Art Institute: Though Edouard Manet made etchings primarily to reproduce and publicize his paintings, he developed a unique style as shown in the 27 etchings in this special exhibit of more than a third of his total output of 75 etchings. Ends Sept 2.

Art Institute: With 200 of Marc Chagall's works on paper dating from 1907 to 1983, this show from the Centre Pompidou in Paris makes a good study of Chagall the draughtsman. Ends July 7.

WEST GERMANY

Munich, Staatsgalerie moderner Kunst, Prinzregentenstr. 1: German Art since 1960, 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beuys, Richter and Kiefer. Ends Sept 15.

Emden, Ackhuysen-Gesellschaft, Rathaus am Delft: To honour the late Franz Radziwill on the 90th anniversary of his birth. Ends July 28.

Bonn: Rheinisches Landesmuseum, Colmantstr. 14 5300, Fairy-tales, Myths, and Monsters. 43 works by 22 European artists, among them Messager, Paladino, Schmalix, Tatafiore and Wawrin. Ends July 28.

Berlin, Gropius Bau, Stresemannstr. 110 Berlin 61: Treasures of the Forbidden Cities. Timed to coincide with this year's Berlin Horizon 85, the Peking Palace museum is coming to Europe for the first time, with roughly 120 works covering 3,500 years of Chinese history. The exhibition in Berlin includes gold, and Jade, paintings, porcelain, musical instruments and calligraphs. Ends August 18.

Cologne, Schnütgen Museum Cacilenstrasse 29: Gothic Art from Bohemia, 60 masterpieces from between 14th and 16th century on loan from the National Gallery, Prague. Ends July 21.

Düsseldorf, Städtische Kunsthalle Grabbeplatz 4: A retrospective of Rupprecht Geiger with 100 paintings from between 1945 and 1984. Ends July 21.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

SWITZERLAND

Martigny: Fondation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Roman ruins of the city of Octodurus. Ends Nov 3. (026/23978).

ITALY

Venice, Palazzo Fortuny: Toys for the science-fiction era, showing how vastly more sophisticated robots have become, since first produced in the 1950s. Ends Jul 14.

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20.

Rome, Appartamento Barbo – Palazzo Venezia: "Eleonora Duse e il suo mito" (The Woman and the Myth) Photographs, theatre programmes, reviews and clothes (including the Crinkley Fortuny fabric) worn by La Divina. Ends July 7.

LONDON

The Tate Gallery: Francis Bacon, Britain's greatest living painter accorded the rare distinction at the age of 76 of a second full retrospective exhibition at the Tate, 20 years after his reputation as an artist of world standing was first put beyond all doubt. Now we see him no longer as a unique and extraordinary figurative, surrealist expressionist, but as an artist who has come at last into his own, as younger painters have come round again to the human figure as the central, creative preoccupation. As the subject matter is now more acceptable, so his peculiar and tormented re-invention and reconstitution of the figure no longer shocks. Ends Aug 16.

SPAIN

Madrid: Palacio de Cristal and Palacio Velazquez, Parque del Retiro: Spanish sculpture 1900-36. Sculpture and drawings by Picasso, Miro and contemporaries. The selection includes two works featured in the 1937 Paris exhibition, at the height of the Spanish Civil War, and now shown in Spain for the first time: Picasso's Femme du Vas and Julio Gonzalez's La Montserrat. Ends July 30. (2747775).

Madrid: Sala de la Caixa de Barcelona, Velazquez 63: Salvador Dali, a retrospective of his work as an author and illustrator of books, with 300 engravings and lithographs and 200 drawings. Ends July 16. (4312017).

Madrid, Museo del Prado: Raphael in Spain. An exhibition to commemorate the 500th anniversary of the renaissance master's birth, including his masterpiece The Cardinal and others highlighting his influence on Spanish artists. Closed Mon. Ends July 15.

Barcelona: Fundacion Joan Miro: Works by 45 Russian avant-garde artists from the Ludwig collections in Cologne, covering the period from 1910 to 1930 and including the most representative masters of neo-primitivism, constructivism and suprematism. Ends July 7.

PARIS

Renoir: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nude feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 Drawings, including Le Bal du Moulin de la Galette and La Danse à Bougival, Grand Palais, Closed Tue. Ends Sept 2 (2615410)

Corot to Picasso. The range of French 19th and 20th century masters assembled by the art merchant Robert Schmit comprises an important Degas pastel La Conversation and a Van Gogh, unusual both for technique and the theme of the Seine. On the first floor the sunshine comes in with Vuillard, Bonnard and Dufy. Picasso's Large Buste d'Homme faces an equally large Braque still life. There is a dream-like Balthus landscape and a strong blue, red and white one by De Staël. Galerie Schmit, 396 rue Saint-Honoré (2803638), closed Sun and from 12am–2pm. Ends July 20.

Robert and Sonia Delaunay: for the 100th anniversary of their births, his in Paris and hers in the Ukraine, a retrospective of some 300 objects, paintings, drawings and decorative projects brings to life their joint pictorial adventure. Whether exploring abstract painting or disarticulating Eiffel Tower images, their colours are vibrant, their *joie de vivre* explosive. Musée d'Art Moderne, 11 ave du Président Wilson. Closed Mon, Wed late closing. Ends Sept 8.

Saleroom/Antony Thorncroft

Auction house hazards

The hazards of trying to sell pictures that have only recently been available on the market were well illustrated at Sotheby's Old Master auction yesterday. A dramatic portrait by Guido Reni of Lucretia failed to find a buyer (bidding stopped at £240,000, just below its estimate), and a caprice by Canaletto was unsold at £100,000.

Both pictures had been on offer at the London dealers Agnew and Colnaghi in the late 1970s but, although dramatic, are not perhaps to modern taste, particularly the Reni, which shows Lucretia stabbing herself.

These apart, the auction did quite well, totalling £2,400,200 in the morning session with 27.8 per cent unsold. The top price £363,000, was paid by the London dealer, Brown, for an attractive river landscape by Salomon van Ruysdael. The price was an auction record for the artist.

The immediate appeal of works by Pieter Brueghel the Younger was apparent in the price of £341,000 paid for a scene of peasants harvesting; while Noortman and Brod gave £253,000 for St Christopher with the Infant Christ and St Peter by the Venetian artist, Cima. It was sent for sale by Countess Spencer.

A sketch by Bassano offered by her husband, Earl Spencer, did well at £38,500 but another of his paintings, by David Teniers the Younger, was bought-in at £11,500. A gold ground painting of the Virgin and Child with saints by Ceoni di Francesco went way above forecast at £143,000, perhaps because of the scarcity of such early works.

Another Pieter Breughel, of a wedding feast, sold for £99,000. Two portraits by Louis Gauffier of Lord Holland, the Georgian politician, and his wife sold for £59,400 and £39,600 respectively. They were painted around 1795 during their love affair in Florence and before they returned to London for an eventual marriage.

Christie's works of art sale totalled £351,130, but with 33 per cent unsold. A pair of 17th century Roman marble busts of Faustina and Julia Domna, baroque decoration for Roman palaces from the late 16th century, sold for £34,560 to an Italian dealer; and a late 16th century Florentine bronze relief of the rape of the Sabines was on target at £24,840.

A 16th century south German bronze fountain group of Hercules and Cerberus sold for £19,440. Main casualties were an early 17th century English bronze of a pacing horse, unsold at £15,000, and an Austrian bronze of a faun of the same period, bought-in at £16,000.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
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Thursday July 4 1985

Third World burdens

THE World Bank's latest development report must make rather disquieting reading for third world governments. It is not that prospects for the next five years are necessarily so glum. It is rather that the economic future of the developing countries, saddled as they are with such large debts, is so dependent on policy makers in the big industrial nations.

The crucial variable for developing countries is the ratio of real interest rates to the growth of their export earnings. During the last five years the World Bank calculates the relevant real interest rate has averaged an astonishing 6.8 per cent, outpacing average export growth of 5.7 per cent a year. The inevitable outcome was a debt crisis the like of which had not been seen since the 1930s. The need to meet greatly increased interest payments has restricted import growth in developing countries to about 1 per cent a year—austerity which, if maintained indefinitely, would threaten the political stability of many debtor nations.

Unbalanced

Debtors have very limited influence on the interest rate/export growth ratio. Export earnings depend very largely on the rate of growth of the big industrial economies and on the ebb and flow of protectionist sentiment. Real interest rates, the World Bank maintains, depend largely on the balance between monetary and fiscal policy in the big economies—principally, of course, in the U.S. Present U.S. policies offer the third world little succour: Congress seems to be giving the domestic protectionist lobby an attentive hearing while failing to back any really decisive action to bring down real interest rates.

Yet from the developing countries' perspective, Europe and Japan have been almost as unhelpful as the U.S. True, their fiscal/monetary mix cannot be said to have put upward pressure on interest rates. But on the other hand the world economic recovery has been peculiarly unbalanced because they have done next to nothing to stimulate faster growth of world trade, preferring to rely on the external stimulus from American imports. If the U.S. were to put its fiscal house in order, the alarming prospect for developing countries is that the key ratio of interest rates to export growth might not improve much because world growth might then turn down.

The World Bank does not underestimate the potential dangers. The world economy does not need to slump, it warns, for debt problems to recur. If GDP growth averages 2.7 per cent over the next five years — its rather optimistic worst-case scenario—developing countries' average debt service burden would jump from 20 per cent of exports to 28 per cent by 1990. The laggards would do very much worse. The low growth, thinks the Bank, would be accompanied by high real interest rates and further trade restrictions. The developing countries would get very little new capital and "would virtually have to double their trade surpluses just to satisfy their interest obligations."

Prospect

Nobody likes to breathe the word *default*, least of all an institution like the World Bank which is trying to reassure the international community. But it does concede that it is "generally doubtful" whether the developing countries could double their trade surpluses or, more ominously, "whether an increasingly protectionist trading regime would even allow them to try."

The Bank's worst-case scenario is alarming because it assumes faster growth and lower real interest rates than the world economy has experienced since 1980. *In other words, if the* industrialised countries perform only slightly better, the developing countries will sink further. This prospect is so unappealing that preventive medicine is clearly in order.

The most obvious preventive medicine would be simultaneous action to reduce real interest rates and to raise the rate of growth of world trade: to improve both the denominator and numerator of the developing countries' key ratio. As always in economics, a division of labour would be appropriate. The U.S. could take prime responsibility for getting real interest rates down, which might mean painful decisions on the federal budget, while Europe and Japan could assume responsibility for sustaining, if not speeding up, the world growth rate. The World Bank's figures suggest there is no substitute for some such international coordination of policies.

South Africa's foreign policy

BARELY one year ago President P. W. Botha embarked on a tour of European capitals to explain changes in South Africa's domestic policies, against a background of apparent accommodation with black states in the region.

Mr Botha would not be welcome in European capitals today. Such credibility as he may have enjoyed has been undermined by a series of events, including last weekend's incursion by South African troops into southern Angola. At the same time, the credibility of the western powers, which have often been prepared to give Mr Botha the benefit of the doubt, has been eroded too. Washington's policy of constructive engagement with South Africa, adopted by Mrs Thatcher, is looking increasingly threadbare. In the United States the growing strength of the disinvestment and sanctions lobby is pushing President Reagan closer to selective action. From the British Government, however, the South African Government's destabilising activities in the region bring forth no more than a series of admonitions to Pretoria.

ANC threat

Within South Africa itself there is a state of tension. Barely a day goes by without further reports of black unrest. Over the past 10 months the death toll has reached nearly 500. The slow and tortuous programme of reforms has yet to tackle the central issue: the urgent need for a formula which provides for the democratic participation of the black majority in central government.

The administration, seemingly unsure of its direction at home, has a foreign policy also in disarray — one which leaves the impression that politicians have abrogated their role to the military, allowing the army to attempt to bludgeon the countries of the region into submission. The record suggests that this policy neither establishes a *pax Afrikaner*, nor contains the threat posed by the banned African National Congress.

In Mozambique, the short-term impact of the non-aggression pact signed in March last year between Pretoria and Maputo was to cut off what had been a route for ANC insurgents. In return Pretoria was to end its assistance (belatedly admitted) to the Mozambique National Resistance. But the rebel army — drawing on South African-supplied arms stockpiled in the weeks preceding the agreement — is now hammering on the gates of Maputo.

The MNR, not so much an authentic political party as a loose coalition of marauding gangs incited first by white Rhodesia and latterly by Pretoria, offers not a credible alternative to President Machel but the prospect of continuing instability. The deterioration in Mozambique's security threatens to push President Machel closer to the Soviet Union, his traditional backer, endangers Mozambique's growing links with the west, and should certainly worry Pretoria.

In the meantime, the level of ANC activity in the republic has increased. Part of the reason, Pretoria believes, is a switch by ANC guerrillas to South Africa's western flank, infiltrating through Botswana. This may well be true. But in mid-June Pretoria decided not to pursue a diplomatic solution to the problem with the Botswana Government which has banned an ANC military presence and which has always been ready to talk about ways to enforce such a ban. South Africa instead sent its soldiers to attack what it claimed were ANC bases in Gaborone, killing innocent civilians and provoking the recall of the U.S. ambassador to Pretoria.

Washington's patience had already been strained by events in Angola, where again diplomacy had taken second place to military ambitions. Last

Throughout this period there is scant evidence that the west's cautious diplomacy has had deterrent or constructive effect. Mrs Thatcher has set her face against disinvestment and economic sanctions. But unless she comes up with an alternative strategy, co-ordinated with other European governments, which signals that patience with Pretoria is running out, she will find her corner very difficult to defend when she meets Commonwealth leaders at the Heads of State Conference later this year.

SOVIET ECONOMIC REFORMS

Gorbachev tightens his grip

By Patrick Cockburn in Moscow

"THE ICE is melting," Mr Mikhail Gorbachev said recently as he unveiled his programme for radical economic reform. Few of his compatriots, however, expected him to move so quickly to change the top ranks of the Soviet leadership.

Within four months of coming to power, Mr Gorbachev has appointed four new members to the ruling 13-man Politburo. This Monday he dismissed Mr Grigory Romanov, his rival last year for the succession to President Chernenko, from the Politburo.

The following day Mr Andrei Gromyko, for 28 years Foreign Minister and a symbol of continuity in the Soviet Union, was elevated to the presidency and replaced by Mr Eduard Shevardnadze, the leader of the Communist Party in the southern republic of Georgia.

The generational change which has been so long predicted, the removal of the leaders who started their careers under Stalin, became powerful in the war years and flourished under Mr Brezhnev, has finally occurred.

Epitome of the generation change: the late Leonid Brezhnev (left) and Mikhail Gorbachev (right)

The development of a new leadership is important because of Mr Gorbachev's commitment to economic reform. This was why he was first brought to Moscow in 1978 and why he reached the top so fast. Indeed, the radicalism of the reforms he has outlined in recent speeches clearly makes many party and state leaders fear for their jobs.

It is only in the last week that Mr Gorbachev has finally developed the political strength to overcome such opposition. With a firm grip on the Politburo he can now change the membership of the 300-strong central committee of the Communist Party, the repository of final authority in the Soviet Union to which top job-holders belong, in the run-up to the New party congress in February next year.

Already Mr Gorbachev has changed 14 regional first party secretaries of the Communist Party, the men who rule the 159 districts into which the Soviet Union is divided. This is as many as President Chernenko changed during the year he held power. The turnover in senior leaders of the state and party, which started when President Brezhnev died in 1982 and Mr Yuri Andropov took over, is reaching a crescendo.

Mr Gorbachev believes that he needs to move fast. In speeches in Leningrad and Moscow over the last two months he has referred obliquely to the disappointed hopes for economic reform in the past (notably in 1965 and 1979). "In Leningrad they are saying that the leadership has failed to tackle problems," he said recently. "They are hiding from us and making excuses that they are carrying out an experiment. Years and years pass, experiments are carried out—but nothing changes."

Such appeals for public support, unheard of in the Soviet Union since the time of Mr Nikita Krushchev who lost the leadership in 1964, have themselves raised expectations of change.

The problems are vast enough. Since the mid-1970s the Soviet growth rate has slumped. Technology has lagged at a time when production cannot be increased through access to more labour or raw materials. The savings of ordinary Soviet citizens have risen as they fail to find goods in the shops on which to spend their money. Productivity per head is only 55 per cent of western levels.

The reasons for the stagnation in Soviet development are evident. In the high-speed industrialisation of the 1930s and during the war rapid growth was

The turnover of leaders is reaching a crescendo

achieved by throwing enormous amounts of capital, labour and raw materials into industry, to be used inefficiently, but producing impressive results. The countryside was exploited to produce cheap food for the cities.

The Soviet economy today is a victim of the success of this first phase of industrialisation. But by the early 1970s the symptoms of stagnation were apparent: "Declining growth in the productivity of capital, labour or land, increasing obsolescence of production techniques, technological stagnation, shortages of consumer goods, and a decline in the quality of industrial products," is how one Soviet specialist describes them.

It was during this period that the management of the Soviet economy took its present mould and Mr Leonid Brezhnev, Soviet leader from 1964 to 1982, made no effort to change the way in which it was run. Personnel changes were also minimal. Mr Alexei Kosygin's proposed reform of economic management in 1965 collapsed because of concerted opposition of party and state bureaucracy. By the year President Brezhnev died, the average age of government ministers was 72.

It is important not to overstate the case. The Soviet economy was not and is not in crisis. The fact that, aided by its huge raw material resources, it continued to function encouraged the creeping ossification of economic management at all levels under Mr Brezhnev. Basic food, accommodation, transport, health and education were provided although often of poor quality. Living standards went up.

Mr Brezhnev, keen to avoid political or personnel changes, sought economic growth not by new management but by such developments as the vast oil and gas fields of Western Siberia which began to be exploited in the 1970s. Crucial areas like machine building and transport were neglected as capital investment was poured into new projects.

Demand has risen with real incomes but failure to produce the necessary consumer goods touched off a rapid expansion in the black market. The service sector is wholly inadequate. "Try to get your flat repaired," Mr Gorbachev told a political meeting. "You will definitely have to find a moonlighter to do it for you. And he will steal the materials he needs from a construction site," he said.

Most of the 11m Soviets who own a car are compelled to use the black market for spares. The Ministry of Automobiles decided in the early 1970s that the average life of a car in the Soviet Union would be seven years—but the fact is that cars are too valuable ever to be discarded. The Ministry's miscalculation, means that there is a chronic shortage of spare parts and repair shops.

Similar planning failures have made buying petrol difficult.

In the short term it will be very difficult for Mr Gorbachev to meet this pent-up demand. Capital investment is needed elsewhere with high priority going to high-technology industry, machine building and the re-equipment of existing plant rather than new factories built on greenfield sites.

This, says the Soviet leader, is the only way back to the high rates of growth which were achieved before 1975. To reach the targeted 4 per cent annual growth rate in national income without changing the present system of economic management and raising productivity would require the labour force to grow by 8-10m over the next five years, fuel and raw materials by 10-15 per cent and capital investment by 30-40 per cent. But such resources are simply not available.

Mr Gorbachev says he needs 4 per cent growth if he is to increase capital investment, meet higher defence costs and produce a limited increase in consumption all at the same time. Defence, which absorbs some 12 per cent of Soviet Gross National Product, has only slightly increased since 1976 according to studies by the Central Intelligence Agency. A senior Central Committee member recently quoted a claim by Mr Caspar Weinberger, the U.S. Defence Secretary, in 1980 that the U.S. could break the back of the Soviet economy by forcing Moscow to spend more on arms. The message seems to be that the Kremlin is not doing so.

High growth will be achieved by raising productivity through a number of different measures. Existing industry—which in the Soviet Union produces twice the return on capital of investment in new plant — will be re-equipped. At least 30 per cent of the machinery in Soviet *factories is now* more than 15 years old and 6m workers are in repair workshops. Obsolete equipment will be withdrawn at twice the present rate.

Less priority for agriculture and energy

Central planners will be given extra clout but at the same time individual enterprises will have greater financial and planning autonomy to determine the type of products they make.

It is extremely unlikely that Mr Gorbachev will raise the price of basic goods such as foodstuffs (meat costs 2 roubles a kilo) or accommodation by more than a marginal amount. But the production of better quality goods is likely to be associated with higher prices in order to provide material incentives for managers and workers.

Another theme of the new economic programme is that the profitability and efficiency of an enterprise should be reflected in the salaries of those who work in it. "The problem is that you squander countless resources in every industry, but nobody is going broke, comrades," Mr Gorbachev told a televised meeting.

Decentralisation, meanwhile, *is designed* to encourage greater efficiency. The greater autonomy of enterprises and concentration of capital resources in priority areas under the direction of the State Planning Organisation (Gosplan), and senior party figures will reduce the power of the 90 or so ministries in *Moscow* which control the details of Soviet economic life.

Agriculture and energy, which have come to absorb some 55 per cent of capital investment, will cease to get the priority they received in the past. Agriculture, of which Mr Gorbachev was himself once in charge, has continued to suck in investment without producing adequate returns. The import of almost 50m tonnes of grain last year cost $6.5bn. The rise in agricultural income has also increased overall demand without leading to substantially higher output.

Energy had been far more successful until recently although the management of the oil industry has come under almost daily attack in the Press over the last year. Oil output in 1984 slipped to 613m tonnes, the first fall since the War and the *downtrend has continued* this year.

Instead of increasing production through the discovery of new oil deposits, the plan now is to increase the output from existing oil fields. These are now "being worked at only 40-45 per cent of their capacity, but experts say this can be raised to 60-70 per cent," according to Mr Vitali Vorotnikov, a senior Politburo member close to Mr Gorbachev.

Power stations are being modernised to burn less oil or convert it to the use of gas. Other areas are extravagant *in* the use of fuel. The switch of more of the lorry fleet to diesel engines should by itself save 8m tonnes of petrol a year.

Some of these changes can be made easily, and the management of the economy has improved since 1982, but a breakthrough in productivity of the type Mr Gorbachev wants requires structural changes in Soviet economic management of a radicalism not seen since the 1930s. It also means that many of those in senior positions in the Communist Party and Government are going to lose their jobs.

In the months since Mr Gorbachev came to power he has made clear what he wants to do. Soviet citizens watching him on television asked how much of his programme would remain rhetoric. By gaining absolute control of the Politburo this week he has shown that he now has the political strength to carry out radical change. He will need it, if he is to succeed where others have failed before.

The development of a new leadership, the culmination of a process which began three years ago with the death of Mr Brezhnev, means that the Soviet Union is now firmly set on a path of economic and political change.

Men and Matters

Milestones in the Rockies

Russell Allison, president of CP Rail (Canadian Pacific's railway arm) was in London yesterday talking about two milestones in railway history. His company is putting C$600m into a capital development plan including the laying of 21 miles of track in the Rockies as it celebrates the centenary of the completion of its cross-country system in 1885.

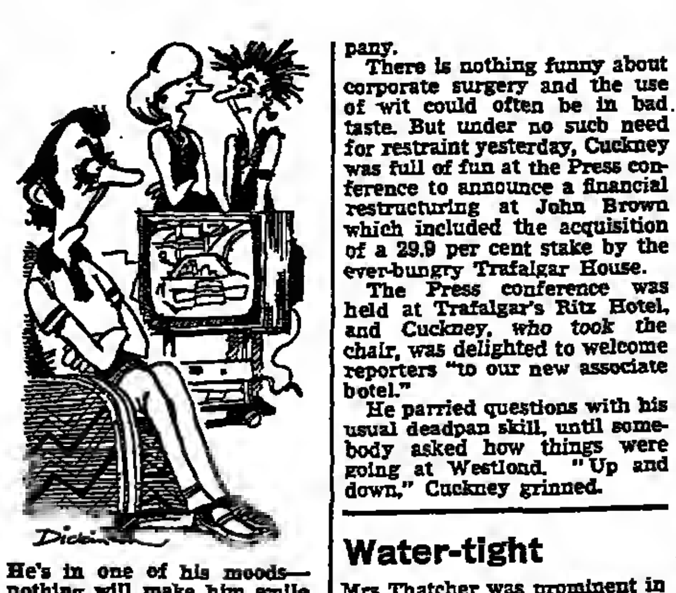
Allison talks with American ebullience about the size of the new project in British Columbia. "It includes a nine-mile tunnel, the longest in North America . . . the biggest single railway civil engineering project." The result will be an easier grade to the track, cutting out the need for "pusher engines" to get the 100-car freight trains the 700 miles from Calgary to Vancouver.

The scheme involves the creation of what will be effectively a small town housing 1,100 workers until the completion in 1988.

From the future to the past. At 9.22 am sharp on November 7, Allison will be at Craigellachie in British Columbia for the big centennial celebrations. When the last spike was driven in by Donald Smith, one of the company's pioneers, it ended a political crisis and rebellion — British Columbia had threatened to join the United States if it didn't get a railway. Smith later became Lord Strathcona and the present Lord Strathcona will be at the November celebrations.

A *link* with the City of London will be remembered, too. One of the towns at the end of the line was named Revelstoke, after Lord Revelstoke of Baring's bank which helped to finance the 19th century development.

A railway buff to the core, Allison was delighted while over here to take a trip with British Rail chairman Sir Robert Reid on the High Speed Train from Paddington to Bath and be given VIP treatment on the footplate. "A great journey," he said, but it didn't give him any ideas about taking CP back into the passenger business. He knows where profit lies — C$185.5m in the last year.



He's in one of his moods—nothing will make him smile—McEnroe getting beaten, M1 jams . . ."

Flight of fancy

Few things hurt as much as being accused of lacking a sense of humour.

Sir John Cuckney, chairman of Royal Insurance, Thomas Cook, John Brown et al, has been alighted more than once in the Press on this account, the latest coming only last week in this newspaper.

Cuckney is, without doubt, the country's leading company doctor, having first applied his skills 15 years ago on the Mersey Docks and Harbour Board, and since than on many more troubled public and private organisations. His latest patient, acquired last week, is the Westland helicopter company.

There is nothing funny about corporate surgery and the use of wit could often be in bad taste. But under no such need for restraint yesterday, Cuckney was full of fun at the Press conference to announce a financial restructuring at John Brown which included the acquisition of a 29.9 per cent stake by the ever-hungry Trafalgar House.

The Press conference was held at Trafalgar's Ritz Hotel, and Cuckney, who took the chair, was delighted to welcome reporters "to our new associate hotel."

He parried questions with his usual deadpan skill, until somebody asked how things were going at Westland. "Up and down," Cuckney grinned.

Water-tight

Mrs Thatcher was prominent in the crowd for the Commons debate yesterday on measures to curb soccer violence — and had some advice to offer football fans about their drinking habits.

Many football clubs are worried about the financial effects of a total ban on alcohol at grounds. Tottenham Hotspur, for instance, claims the £600,000-a-year revenue from its 72 executive boxes could be at risk if the liquor ban is applied to them.

Were the occupants to be restricted to Coca-Cola and Perrier water? an MP demanded.

The Prime Minister muttered an aside to Home Secretary, Leon Brittan, who rose to report her view that they would be "wiser to choose a similar *sparkling* English product."

What she had in mind, apparently, was Ashbourne water from Derbyshire — which, if I remember correctly, was a favourite platform tipple at Tory Central Office press conferences during the last General Election.

But while Mrs Thatcher was intent on diluting future troubles, Dennis Skinner, the left-wing Labour MP for Bolsover, saw the whole exercise as just another chapter in the class struggle.

While some MPs were attacking the drinking on the (football) terraces, he said, there were others still drinking on the House of Commons terrace.

Out of line

The influence of Saatchi and Saatchi has clearly now penetrated that bastion of conservatism, the Treasury. Yesterday it unveiled a new look for its bi-monthly Economic Progress Report, aimed at keeping us up to date with developments in the economy.

The revamped publication is full of useful graphs and tables on everything from company profits to the money supply. But the way they are drawn is likely to raise a few eyebrows.

The scale on the chart showing the rise in Britain's output since 1981 is designed to ensure a sharp, upward sloping line. A 10 per cent rise in output is represented by a line rising 1¾ inches.

Adjacent is a graph of unemployment over the same period—neatly flattened so the 50 per cent increase in the jobless total since 1981 is shown by a line rising only ½ inch.

Food for thought

From the ad for a new book on Nursery Cooking by Molly Keane: "Tangy reminiscences of those childhood days when nanny reigned supreme and cooks were always 'characters' get in among the recipes from Molly herself and from some of the most colourful cooks she has known. Egg cutlets from fat Mrs Finn, who shaved and played the fiddle . . . mouth-watering meringues from dotty Mary Brigid who blessed herself before approaching the oven. . . . There is brandy in the junket." Well, now we know we all had deprived childhoods.

Observer

ECONOMIC VIEWPOINT: Profit, shares and pay

A guide to the radical centre

By Samuel Brittan

THERE has been a plethora of suggestions in recent years for changing systems of pay and capital ownership in a way which will promote more jobs while helping to spread income and wealth.

These plans mostly have their roots in very old ideas of a vague- do-gooding type, ranging from Robert Owen's ideas for harmonious prodncer communities on the Left, to the encouragement of share ownership on the Right.

These time-honoured suggestions bave, however, been taken and given a new and sharper twist by macroeconomists who have arrived at them, not through visions of guild socialism or national harmony, but out of a search for means of restoring high employment without runaway inflation or for coping with the problems liable to be thrown up by robotics and the microchip.

In their new form, the appeal of these ideas is to what might be called the radical centra or want to go further than Mrs Thatcher in using markets and prices, but care who gets hurt in the process, and are sensitive to the distribution of income and wealth.

Meanwhile anyone may feel extremely confused by the plethora of plans and their relationship to each other.

These plans have two different if overlapping objectives. The first is to change pay-fixing systems so that they promote jobs, rather than merely award the highest possible incomes to those already in employment. In other words, it is to price more workers into employment withont relying solely on directly weakening union power.

The second object is to cope with the problem of what happens to people whose market-clearing pay is too low to provide an acceptable living. They are probably now in a minority consisting of the untrained, less able or unfortunate. But in some visions of a robotic age, the market-clearing pay for most workers may be very low in relation to the rewards of capital.

In either case, it is extremely important for people to have a source of income outside their pay packets—whether this consists of capital ownership or an assured right to income supplementation via the tax and social security system.

* * *

A pioneering idea, still inadequately discussed, is Peter Jay's proposal made as far back as 1974 for a systematic transformation of all major business concerns (and large parts of the public sector too) into *workers' co-operatives*, which fixed their own rewards on the basis of the market value of their own labour.

Many of the objections to the Jay scheme overlook the fact that his workers' co-operatives are part of a wider constitutional settlement, inclnding new rules of the game for collusion and restrictive practices.

Nevertheless, some academic economists still fear that co-operatives' efforts to maximise their own remuneration will discourage them from recruiting new members. The key factor seems to be the rate at which new co-operatives could be formed or encouraged from among the unemployed.

A point to note, however, is that the Jay co-operatives would not necessarily revolutionise the distribution of wealth. Existing owners would be compensated with, in effect, non-voting shares: a form of raising capital which would still be open to the co-ops themselves.

The distinction is not quite so clear cut in the Job *Ownership* project, directed by Robert Oakeshott, which is designed to promote workers' ownership incrementally by individual handovers. In most such cases workers are expected to make some contribution to secure their stake. On the other hand, managements are usually willing to hand over ownership at a concessionary price.

Although the Job Ownership approach does not hold promise of any own-for-all transformation, there is evidence that worker-owned firms — such as the Mondragon group in Spain — are prepared to accept the equivalent of pay cuts to maintain work for their members. In the U.S., employees of crisis-ridden corporations have accepted wage cuts in return for ownership rights, which do not go the full way to workers' ownership.

At the opposite pole from worker ownership is the *"revenue sharing"* of Prof. Martin Weitzman of Massachusetts Institute of Technology. His central idea is profit-sharing taken to that point wbere it is a substantial fraction of total pay. The aim is to change the system of pay, rather than hand over to the workers the income from capital ownership. Its inspiration and *modus operandi* are thus very different from either traditional profit-sharing or employee shares.

UK WEALTH DISTRIBUTION

(1982)

% of adult wealth owned by:	Marketable wealth	Including all pension rights	Hypothetical: based on Life-time savings
Most wealthy 1 per cent	21	11	10
" " 2 " "	28	16	n.a.
" " 5 " "	41	24	28
" " 10 " "	56	34	43
" " 25 " "	81	58	64*
" " 50 " "	96	80	n.a.

*Top 20 per cent

Sources: Inland Revenue Statistics, 1984. Income and Wealth (Royal Commission on Distribution) HMSO, 1980.

N.B.—The final column is a hypothetical distribution, assuming that differences in wealth arise only from difference in income and because of differences in savings accumulated over a life cycle. The tentative conclusion is that the distribution of wealth is not all that different from the distribution of income. The estimates are controversial, especially the valuation of pension rights.

Its job-creating properties depend on the arithmetical point that the extra cost of taking on e new worker is less if be is partly rewarded by a variable profit bonus, instead of e contractual wage. Not only that; bnt under imperfect product markets, the marginal cost of hiring new workers will continue to fall and more workers will be taken on until effective pay is so low that the supply of labour dries up.

Prof James Meade is the one economist to bave written a full-length study of Weitzman, not yet published. He bas fears that there will be too little investmant. More important, be is worried by the tensions which will be produced with the existing labour force, as it sees its pay diluted as new recruits are added.

Meade's own variant is known as *labour-capital partnerships*. Existing shareholders and others with a financial stake, as well as workers, are given "shara certificates" in proportion to the present distribntion of revenue between profits and interest on the one hand and wages on the other. New recruits receive certificates, but not necessarily as many per head as existing workers.

Despite its complexity of detail, the essential value of Meade's labour capital partnership is that it recognises the conflict of interests between *insiders with jobs and outsiders without* which is the heart of the unemploymont problem. Would not everyone gain, he is in effect asking, if extra workers are taken on and paid above the dole even if they do not receive the same "rate for the job" as existing workers?

One is inclined to ask whether, if lower pay for outsiders is acceptable, it can be brougbt about without the complexity of labour-capital partnership. A few U.S. corporations have already negotiated pay deals in whicb new recruits receive lower pay than existing employees.

The recognition of an insider-outsider divide is s concession to power relativities. But is it more "unfair" to outsiders than leaving them to languish without legal, paid employment? ment?

* * *

Suppose that workers' co-operatives found that remuneration pay per head were low because of large payments in interest or in dividends on non-voting shares? Suppose that Weltzman or Meade type revenue-sharing firms found that although they were taking on more workers, pay per head was low?

In these circumstances the qnestion of "Who owns the capital?" including fixed interest capital becomes important. If the workers also own a large share of the capital, they gain on the investment income roundabout wbat they lose on the wages swing.

At this point a distinction needs to be made between *wider share ownership* and something often called *citizen ownership*. A Wider Share Ownership movement bas existed since 1958.

Mr Nigel Lawson, Chancellor, took pride in a lecture to the Wider Share Ownership Council on the Government help given with employea sbare schemes and the attractive terms for small investors and employees in privatisation issues. But even if as a result the number of private shareholders has doubled from its 1979 tow point to 3½m. it is still less than 10 per cent of the adult population.

An opportunity was missed in the privatisation process to hand over to all citizens shares in enterprises which they theoretically owned in any case.

The qnestion remains how citizens can be given a stake—if we ever have radical centre policies—in the profits of the major firms, which have always been in private ownership, without concentrating all their eggs in one basket.

An American lawyer, Stuart Speiser, bas devised a scheme for *Superstock*. In outline, companies would bave to distribute all their profits. Capital for new investment would come from new issues, to which citizens would all be able to subscribe with the aid of special loans. They would not have full ownership rights until the loans had been repaid.

One much simpler approach has been suggested by Professor Ronald Dore in his 1985 T. H. Marshall Lecture. This is a straightforward dilution of corporate equity capital. A free rights issue of, say, 2 per cent of corporate equity would have to be handed over each year to *a state patrimony*, out of which a *social dividend* would be paid to an increasing number of citizens as of right. The Fund would also acquire an increasing stake in real estate and art objects.

There is already a highly controversial *Swedish plan for wage earners' funds* set np on similar lines to be run by the unions. There seems no reason why ownership and income could not be vested with individual citizens instead.

* * *

The main rival to citizen ownership is more straightforward use of the tax sod social security system. The first priority is generous payments to supplement the income of families with poor bread-winners. But if national wealth increases enongh, social payments could be made to all citizens to supplement income from work.

Economists wbo favour tbe tax and social security route sometimes argue that the distribution of cepital is not very different from that of income if allowance is made for the value of state pensions and life cycle factors. They argue that the cboice between the dole and a very low wage affects in the main an unskilled minority—towards wbom belp sbould be targeted.

The case for citizen ownership of productive assets is thus greatest if there really is going to be a robotics revolution wbicb will lower the value of most kinds of labour and increase tbe roncentration of caoital ownership.

In any case, bowever, income from tbe ownersbip of productive assets, althougb it fluctuates, is less at the mercy of political chance than social security entitlements, bowever mucb one tries to entrencb the letter. Moreover a source of income unronnected witb either work or state bandouts bas always been a source of security and independence.

In the 18th and 19th centuries the privileges of a "modest competence" were available only to a propertied minority. If this could be extended to all, we really migbt see for the first time a flourishing capitalism without the puritan ethic; and any belp it gave with the stagflation problem would be a bonus.

Jobs, pay, unions and the ownership of capital

A booklet containing reprints of Samuel Brittan's recent articles on these subjects is now available from Nicola Banham, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4, price £1.50, including postage.

Lombard

The way ahead in Europe

By Anatole Kaletsky

IF EUROPE has reacbed a dead end after the failure of the Milan summit, it is only because the Common Market took a wrong turning more than 10 years ago. With luck, the six core members of the original Community may now be able to retrace tbeir steps aod make real progress towards unification—if only of a "two track" Europe.

In one sense, the Community's mistake may simply be in admitting Britain, Greece and Denmark to full membership when they did not share the core nation's historical experiences and aspirations. But this is the symptom of a deeper error. The Community chose to roncentrate on extending the Common Market in geographical magnitude, and, cautiously, in the coverage of micro-eronomic policies which were being harmonised. In the process it neglected efforts to unify around the most essential function of a modern sovereign state—macro-eronomic policy. Europe—including Britain if possible but, if necessary, without it—would be wise to reverse this order of priorities.

Free trade and services, harmonisation of indirect taxes and co-ordination of government regulations are undoubtedly desirable; but in creating a dynamic continental economy they are less essential than macro-economic and monetary co-ordination, as a glance et the U.S. economy suggests. U.S. state governments levy different consumption taxes, have widely varying employment laws and frequently impose their own environmental and health and safety regulations. The restrictions on New York banks and lawyers operating in California are no less onerons than the obstacles facing British insurance companies or solicitors who want to work in France. Tbe struggles over defence contracts and between congressmen from Washington state, who represent Boeing, and politicians from Georgia, speaking for Lockheed, can be every bit as vicious as the dispute between Britain and France over the European fighter project.

The key difference between America and Europe is that expansionary macro-economic policies applied to s huge continental economy with a single currency, do not produce balaoce of payments of problems nearly as quickly as they would in small independent countries like Britain or France. And when rapid growth does generate a current accouat deficit, as it is now doing in the U.S., it does not immediately lead to an inflationary currency crisis, if the currency in question also represents assets in a huge eronomy wbich contains 40 per cent of the wealth of the industrialised world. It is because of Europe's macro-cronomic fragmentation that sensible reflationary policies to deal with uoemploymenl appear impossibly risky for any individuat governmenl.

This is increasingly recognised in Europe, especially in France. Yet in Britain, even Labour politicians who espouse the Keynesian logic bebind this argument, consider European macro-economic co-ordination to be a non-starter. "The British people would never wear it," they claim if economic arguments fail them.

After all, the British public abhors interference from Brussels even on trivial matters like the size of milk cartons or the naming of limited companies. Is it roncelvable then, that they would yield an important measure of Britain's sovereignty on issues of real importance like monetary and fiscal policy? The answer may well be yes.

People resent the Eurocrats precisely because they intrude in everyday life; yet when it comes to great political challenges, like unemployment, inflation or arms rontrol, Brussels seems impotent and irrelevant. A Euro-initiative on unemployment or nuclear disarmament would probably rommand much more public support than a programme to harmonise insurance regulations.

The people of Britain may perceive more accurately than their leaders that Europe must move on from minutiae to wider political issues. After all, Britons bave long since compromised the principle of sovereign control over defence policy, by submerging a large part of their armed forces in Nato. It moy be only the civil servants and politicians who are so jealous of their power that they are unwilling to give up the trappings of a largely illusory sovereignty.

Letters to the Editor

EEC summit decisions

From Mr W. E. Bell

Sir,—Your leading article on the EEC summit fails to clinch the issue (July 1). You acknowledge that "Mrs Thatcher (and) her Government . . . presented a position which was pragmatic, constructive and pro-European, but without conceding much to the quasi-federalist rhetoric of some of the original Six." But then yon say that "the Government cannot afford to be at loggerheads with its main Continental partners for the sake of an ideological prejudice."

The issue of majority-versus-unanimous decisions is not one of rhetoric or prejudice. It is quite simply the difference between on *association* of sovereign states for certain purposes and an *irreversible union* for all purposes. The Prime Minister bas neither the power, nor, I believe, the desire to sink the identity of our nation in an ever-changing melting-pot. Such an act was not anthorised by the Treaty of Accession, nor by the subsequent Referendum and Renegotiation. Any such attempt would cause constitutional fracture and prolonged social inflammation comparable with that arising from the Act of Union with Ireland in 1800.

It is self-evident that a union of states (which is what majority decisions imply) cannot be instituted by e majority of those states only. Mrs Thatcher is to be congratulated upon her wisdom.

W. E. Bell.
86, Woodgrange Avenue, Finchley, N12.

From the MEP for Dorset E and Hampshire W (Con)

Sir,— Quentin Peel in his follow-up after the Milan Council (Foreign ministers take up the running after summit, July 2) reports that the Benelux states have put forward four specific articles of the Treaty of Rome for amendment. They propose replacing unanimity with majority voting nn certain topics.

If this is to be the principle objective of an intergovernmental conference, the British Government is right to be sceptical. If we really wish to call the bluff of our Community partners on their wish for revision of the Treaty of Rome, *we* should put on the agenda the revision of Articles 38-47 of the Treaty of Rome ie: those which deal with the Common Agricultural Policy!

Bryan Cassidy,
97-113 Rue Belliard, Brussels.

Privatisation and business schools

From Mr G. Hall

Sir,—In the current climate of controversy about the future of business schools it is perhaps sppropriate to ask whether the business community values dispassionate research on the various dimensions which affect its performance. Business schools are in the best position to provide this. Economics departments tend to be too uninvolved with business either to appreciate its problems or provide practical answers. Consultancy companies, on the other hand, are usually not very rigorous in their methodology and are often anxious to pedal a particular set of techniques.

If business schools are privatised, it is hard to see bow they will carry out research. They will be relegated to training institutions. Research may indeed be actively discouraged for fear that its results would not always be immediately popular with the school's customers. Iconoclasts must usually pay tha price of at least short-term unpopularity even if vindicated by history in the long term. It is not surprising that the business schools which are currently private are not well known for their research output.

It must be faced that to take business schools out of the public sector would be to freeze the frontiers of knowledge in management skills. These are currently being forced back at s rate which can only be considered beneficial to British management.

Graham Hall.
Lecturer in Economics, Manchester Business School, University of Manchester.

How to handle the teachers' dispute

From Mr T. M. Finnegan

Sir, — It appears that the members of the Netional Union of Teachers are cynically preparing to enjoy their long, paid summer break after having damaged the ednoational prospects of thousands of youngsters in the past few months.

Let me first of all make plain that I believe that the dispute has been handled with incredible ineptitud by Sir Keith Joseph, who has now added the Education Ministry to his list of ministerial failures. However, we still expect schnol teachers to behave with greater responsibility than the NUT has seen fit to do, and I am disgusted at the thought that this profession should proceed happily off to holiday, intending to return fit enough to resume its battle in the autumn.

What Sir Keith should do is to give the trade union an ultimatum of abandonment of sanctions which expires two days before the summer boliday. Failing an absolute undertaking from the NUT that it will entirely cease its disruptive campaign, then the NUT members should be "locked out" and allowed to enjoy their summer holiday on their own resouces.

Of course, in the long run it is essential that the teaching profession be dealt with absolutely fairly and taken out of the arena of industrial relations. It will require mnch greater ability than Sir Keith possesses to find a formula which protects teachers' salaries on a comparability basis. The great danger of this current dispute is that many teachers with a long record of unstinting service to their pupils are being dragged, albeit unwillingly, into the hands of the few militants currently directing this dispute and wbo have no commitment whatsoever to the children they are supposed to serve.

T. M. Finnegan.
Franklyn House, The Garden Village, Gallowgate, Richmond, N. Yorks.

A way to prevent hijacking

From W/Cmdr J. Crowley

Sir,—If no one on an aircraft could influence the flight deck crew, hijacking would be virtually eliminated.

For nearly 150 years tens of millions of peopla have travelled by train without a "captain" and where the driver, at best, would only receive an indication of an unspecified emergency. Unmanned aircraft have been flying for many years; the first space craft were launched and recovered without a human element; and the driver of high-speed, long-range coaches is often totally isolated and unapproachable.

It is surely worth examining the scenario if the flight deck crew were in a totally secure and isolated compartment. The "captain" would only be eble to originate one-way instructions and information. The staff in the passenger aree would only be able to communicate by, say, lights, green indicating all well for the next event and red an unspecified emergency requiring an early "stop" or landing. It woul dnot be possible for any other visual or aural interaction between the two areas.

Only two types of emergency can occur in the passenger area: technical malfunction or failures which could probably be sensed on the flight deck with additional instrumentation; and human misbehaviour or sickness which could be handled by the cabin staff. There would be no incentive or purpose in injuring or threatening cabin staff, if such action could have no influence on the condnct of the flight. An interim measure to reassure passengers might be to augment the cabin staff with a flight director, president or manager (perhaps ex-crew) who, in e wholly supervisory role, could command more authority than hard-worked stewards and stewardesses.

Time bombs-type incidents are different but are in no way unique to aircraft. Terrorists can exercise equal influence in hotels, airports, public events, etc. If hijacking could be eliminated as suggested it might be feasible to drop all screening of passengers and their luggage with enormous savings, restoration of public confidence, and improvements in service and timing.

J. Crowley.
Yacht Contango, Southampton Reg.

Fairy stories and benefits

From the Secretary, Superannuation Arrangement, University of London

Sir,—I am glad that Geraldine Kaye (July 1) regards my views too important to pass without further comment. May I reciprocate the compliment.

I do not disagree that everything has to be paid for, but I do disagree that the difference is solely one of emphasis. What brought troubles upon money purchase was the notion that you could bolt on extra bits and pieces, e.g., to make benefits up to a pre-determined level. Employers found that they were running a defined benefits scheme without having intended to and without having the sdvantage of dictating investment policy.

My principal point is and always bas been that there are no simple answers.

Some of your readers have privately commented to me that my knowledge of fairy stories is more deficient than my knowledge of pensions. I therefore take the opportunity to make s correction. Whereas a beautiful princess may be able to turn the money-purchase frog into a handsome prince, and whereas the magic wand may get Cinderella to the ball, let us not forget that at midnight the coach changed back to a pumpkin.

Nicholas Ryan.
4 Gower Street, WC1

FINANCIAL TIMES

Thursday July 4 1985

Bonomi to counter mystery bidder for BI-Invest

By Alan Friedman in Milan

A MYSTERY buyer on the Milan bourse has spent an estimated L160bn ($82.5m) to build up a stake of 42.8 per cent in BI-Invest the financial, property and industrial holding group.

This stake, representing 34m shares out of a total of 79.42m ordinary and savings shares, is higher than the declared 30 per cent stake held by the family of Sig Carlo Bonomi, the chairman of BI-Invest.

Heavy share buying on the bourse has seen the price of the company's shares rise by 50 per cent since Monday.

Much of the buying has been co-ordinated by Lombardfin, a Milan stockbroker also active on the Midwest Stock Exchange in Chicago.

Sig Paolo Leati, managing director of Lombardfin, said he was not in a position to disclose the name of the buyer, but he said that yesterday alone about 2.5m shares changed hands for a value of around L20bn. Lombardfin has bought 16.9m shares of Invest, while two other brokers hold 17m shares.

The Consob stock market authority yesterday imposed an order on transactions in Invest shares, making 100 per cent deposits mandatory for purchases.

On Tuesday, the shares were temporarily suspended as the price gained 22 per cent on the day.

Reacting to what is seen in Milan as an aggressive takeover attempt, BI-Invest's board yesterday decided to convene an extraordinary meeting on July 22 to ask for authorisation to buy its own shares in defence of the company. Some analysts said this would come too late. "The takeover of effective control has already been accomplished," said one broker.

The Bonomi family's best defence of the company, which makes wine, matches, pulp and paper, textiles and holds important property and insurance company participations, would appear to lie in its ability to convert into shares convertible bonds already held. At present, with 72.58m ordinary and 6.84m savings shares in issue, the company's market capitalisation (at yesterday's closing price of L9,100) is L723bn.

It is not known whether the Bonomi family already holds more than its officially declared 30 per cent stake. Following full conversion of all company bonds into shares, the total number of shares would be 99.42m, which would then suggest a market value of L905bn.

The effect of converting outstanding bonds into shares would reduce the mystery buyer's stake to 34 per cent. The buyer has acquired the 34m shares through the purchase of ordinary and savings shares and convertible bonds.

Sig Leati of Lombardfin stressed yesterday that the deal had been conducted in the correct way. "We have been buying every day on the market for the past 30 to 45 days," he said. In the past month, BI-Invest shares have risen by 146 per cent.

Until yesterday, market speculation centred on Morgan Grenfell, the London merchant bank. But the bank denied any involvement in the share buying, saying Morgan Grenfell's only ties to the Bonomi group concerned the bank's role as an intermediary for Swedish Match, which is negotiating to acquire the match division from BI-Invest's Saffa subsidiary.

The only known buyer of BI-Invest shares as of yesterday was Banca Commerciale Italiana, Italy's second largest bank, which was not buying shares of B.I.-Invest on its own account, but on behalf of a third party.

Syria warns U.S. against retaliation over hijack

BY DAVID LENNON IN TEL AVIV AND OUR MIDDLE EAST STAFF, IN LONDON

SYRIA IS offering to assist in securing the release of 12 foreign nationals still held in Lebanon but has warned that American retaliation over the hijack of the TWA jet could sharply reduce its chances of success.

The Syrian offer, made indirectly through contacts with foreign diplomats in Damascus, follows qualified American gratitude for Syrian assistance in ending the ordeal of the 39 American hostages last Sunday. The Americans were freed 17 days after their TWA flight was hijacked soon after leaving Athens.

Israel yesterday freed 300 of the 735 Lebanese prisoners whose release was demanded by the TWA hijackers. The Lebanese had been held in Israel since April when they were transferred from Lebanon.

The U.S. and Israel have insisted that no deal was done with the hijackers in order to secure the Americans' release.

The group of 300, handcuffed and wearing track suits, were driven in a heavily guarded convoy of nine red-and-white buses across the border into southern Lebanon. The transfer was carried out in co-operation with the International Committee of the Red Cross.

Most of those freed are Shia Moslems, many of them members of the radical Hezbollah organisation which is accused of carrying out the TWA hijacking.

President Ronald Reagan had tried to link the release of the American hijack hostages with that of the other 12 Western nationals who have been kidnapped in Lebanon during the past 15 months. Seven of these are American, four are French and one is British.

The White House has announced plans to isolate Beirut international airport in retaliation for the hijack, e move that drew strong criticism from Lebanese government leaders.

With the U.S. media now focusing considerable attention on the plight of those Americnas still held in Lebanon, President Hafez al-Assad of Syria is clearly seeking to use this leverage in order to deter further punitive American action.

However, Syria is also letting it be known that immediate results cannot be expected and that the chances of winning the release of the Americans and other foreign nationals will depend on a period of relative calm. The process would also be aided by the prompt release of the remaining 435 Lebanese held by Israel.

Ford confirms £157m plan to build 'lean burn' engines in UK

BY JOHN GRIFFITHS AND IVOR OWEN IN LONDON

FORD yesterday announced a £157m ($205m) investment in manufacturing facilities at its Dagenham plant, near London, to produce a "third-generation" lean-burn car engine from 1987.

Confirmation of the investment, much the largest of three new engine projects located at Dagenham in the past four years, came just hours before the UK indicated that it would accept the provisional compromise on car exhaust pollution standards reached by EEC environment ministers in Luxembourg last week.

Ford said initial capacity for the new engine would be 200,000 a year, but that capacity could be increased if "significant prospects" of its sale to other manufacturers were realised.

The engine, understood to be of just under two litres, is expected to take Ford well down the road to meeting the tough new emissions standards which, if UK acceptance of the compromise is confirmed, will start to become effective for cars of such capacity in 1991.

Mr Norman Tebbit, the UK Trade and Industry Secretary, indicated in the House of Commons yesterday that the UK, which last week reserved its position on the proposed standards, would accept them. He said it was "likely" that it would lift its reservations but emphasised that the EEC directive was "a very difficult one for the UK to accept." He said, however, that "on balance, it would appear that to accept the agreement is of less hurt to the motor vehicle industry not only in Britain but in the Community as a whole."

The UK decision is being made against a mounting chorus of protests from some manufacturers against the severity of the standards. The two leading French producers, Peugeot and Renault, have issued a joint statement "deploring strongly" the standards. It warned that their effect would be significantly to raise European car prices, depress the market and damage employment in the industry.

Austin Rover, BL's volume cars division, has already protested that the standards, by allegedly making impossible cheap "lean-burn" systems as an alternative to catalysts, would add £1,000 to the cost of a medium-sized car.

Ford is being more cautious. It believes several weeks of technical assessments will be required before any firm conclusions can be reached about the precise technology that may be needed to meet the standards.

As a "third-generation" lean-burn unit, the engine planned for Dagenham will take a significant stage further the "second-generation" lean-burn engine Ford plans to offer in cars for sale later this year. It will run on considerably leaner air/fuel mixtures, of 20-22:1, compared with about 18:1 for "second-generation" units.

Such is the current uncertainty about the new standards, however, that it remains far from clear whether even the 1987 engine might be able to meet the standards without using some form of catalytic converter, either the expensive, three-way system already adopted in the U.S. or – if the engine comes close to meeting the standards – a more simple form of oxidation catalyst.

The new engine, being developed jointly by Ford engineering centres in Dunton, Essex, and Merkenich in West Germany, will be mostly exported to Ford's continental European vehicle assembly plants and was described by the company as offering "a multi-million-pound boost to British trade."

Mr William Hayden, vice-president of manufacture, Ford of Europe, said the decision to locate production in Dagenham rather than Cologne was "a further demonstration of the company's confidence in the Dagenham engine plant."

However, the project would preserve, rather than create jobs, he warned. The plant will be highly automated, using £60m automatic transfer lines for machining cylinder heads and blocks, with a further £40m being spent on other main machining lines.

Contracts for both plant and components have yet to be let, but Mr Hayden said they offered "significant opportunities for British suppliers." Page 7

Jobless setback for Bonn

THE West German Government's efforts to cut unemployment received another setback yesterday with oews that the total of jobless was virtually unchanged in June, traditionally a month that sees at least a seasonal improvement, writes Rupert Cornwell in Bonn.

According to the Federal Labour Office in Nuremberg, the unemployment total dropped just 34,000 last month to stand at 2.16m, or 6.7 per cent of the workforce. That compares with 6.5 per cent, or 2.11m, in the same month of 1984.

The latest figures bear out the increasingly gloomy official forecasts that for 1985 as a whole there will be no improvement on the labour froot, despite economic growth of 3.5 per cent. The centre-right coalition in Bonn might find itself under new pressure after the summer to reflate the economy, beyond the modest assistance for the beleaguered construction sector contained in the draft 1986 budget.

The pattern of steady but unspectacular expansion was borne out by separate figures yesterday from the Economics Ministry, covering industrial production and orders in May.

Output by manufacturing industry rose 0.5 per cent to stand 5.5 per cent above the combined level for April and May 1984. Orders booked by West German companies rose 1 per cent during the month, so that order-book levels for April and May combined were 10 per cent higher than in the same months of last year.

Over the 12 months, foreign orders, at 11.5 per cent, grew more than twice as rapidly as home orders, confirming the competitive edge offered German manufacturers by the undervalued D-Mark.

Opec hopes for prices accord fade

HOPES of speedy agreement on a more rational system of world oil prices have faded after the collapse of exploratory talks between leading factions within the Organisation of Petroleum Exporting Countries ahead of the full Opec ministers' meeting, which starts in Vienna tomorrow, writes Dominic Lawson in London.

Oil ministers from Kuwait and Venezuela failed at e meeting last weekend in Algiers to persuade Algeria, Libya and Nigeria that Opec's current price for heavy crudes needs to be cut.

The African Opec members, which produce only light crudes, fear that a price cut for heavy grades will make their own oil less competitive. Algeria and Libya refused to endorse the previous price change, decided in Geneva in January.

There is in any case considerable restistance within the organisation to any change in prices. Dr Subroto, Opec president and Indonesian Oil Minister, said yesterday he would recommend no change in prices or production quotas. Iran and the United Arab Emirates also oppose price cuts.

But Saudi Arabia, Opec's largest producer of heavy crude, last month demanded cuts in official prices. It is the only Opec member sticking rigidly to official prices in all its sales, which as a result have dropped to only 2.3m barrels a day, compared with its Opec quota of 4.3m b/d.

Sheikh Yamani, the Saudi Oil Minister, has warned that if a better pricing and production system were not introduced, Saudi Arabia would "go to the market" and sell at whatever price it could get

Battle looms over shareout, Page 3; Japan seeks oil price in yen, Page 4

Thatcher pledges UK support for Beirut boycott

By Peter Riddell and Hugh O'Shaughnessy in London

MRS Margaret Thatcher yesterday publicly pledged British support for the Reagan Administration in its search for international agreement on suspending air services with Beirut. But the UK Prime Minister made plain Britain's reluctance to take unilateral action.

Speaking in London after a lunchtime meeting with Vice-President George Bush, Mrs Thatcher said she would be "very pleased to stop flights provided we can get all countries agreeing to stop them."

Both countries agreed to intensify joint efforts, including the seven-nation summit meeting next week to combat this form of terrorism.

A communique issued after the meeting said that, "as an immediate first step, the governments of the UK and U.S. will seek the agreement of all those states which share their concern for the security of civil aviation, to suspend all air services between their countries and Beirut international airport."

The two governments also backed the strengthening of the International Civil Aviation Organisation to enhance its ability to deal with terrorism directed against civil aviation, and to bring pressure to bear on those states which, directly or indirectly, support terrorism to cease that support.

Both governments also said they would work to revitalise the Bonn declaration made at the summit in 1978 which pledged that governments would initiate action to halt all incoming flights from any country that refuses the extradition or prosecution of those who have hijacked an aircraft.

Before leaving London, the last stop on his European tour, Mr Bush issued a strong call last night for unity between the U.S. and Western Europe on the question of arms talks with the Soviets. He added a warning against the increasing pressures for Protectionism.

"Protectionism can lead to retaliation, which can lead to counter-retaliation, and so on until the entire edifice of international trade falls, as it did in the 1830s," he said in a speech delivered shortly before his return to Washington.

"Gatt (the General Agreement on Tariffs and Trade) has a dispute settlement process, but the process has become virtually paralysed in the past few years."

He added that President Ronald Reagan had resisted protectionistic pressures in the U.S. adding, "but there are limits."

On defence questions, Mr Bush stressed that the U.S. Strategic Defence Initiative was "purely and simply a research programme designed to explore whether a more stable basis for deterrence exists."

UK electronics shares fall

Continued from Page 1

Component prices have been hit by a steep decline in the world semiconductor market since last autumn. STC is investing £80m to increase high-volume production of microchip memories, and a new plant in Britain is due to come on stream this year.

The company has announced plans to cut 2,000 jobs since the start of the year, mostly in telecommunications, and will charge the costs against first-half profits. It has closed one public exchange plant and has disposed of two components factories in management buy-outs in recent months.

STC said it would continue to cut costs and eliminate unprofitable activities.

Trafalgar boosts building role

Continued from Page 1

immediate payoff, but said the association would help it compete in international markets for large contracts and to fill its fabrication shops.

He and two other Trafalgar directors would join the John Brown board, but the group had no plans to make a takeover bid. "Our present intention is to allow the structure to develop. I am sure it is going to work as it is." The two companies had no agreements on how long the association would continue. "We feel John Brown is a good name and an important name," Mr Parker said. "Maybe it will be best maintained as a separate business."

He said the investment in John Brown was "irrelevant" to Trafalgar's 5.5 per cent stake in Davy International, Britain's leading process plant contractor. Trafalgar also has a joint venture with Davy to design and build offshore oil industry equipment.

THE LEX COLUMN

The soul goes marching on

John Brown's long convalescence would never have approached recovery but for the loyalty and patience of the group's bank creditors, and it was no surprise yesterday to see these banks shouldering – one way or another – almost three quarters of the group's capital reconstruction.

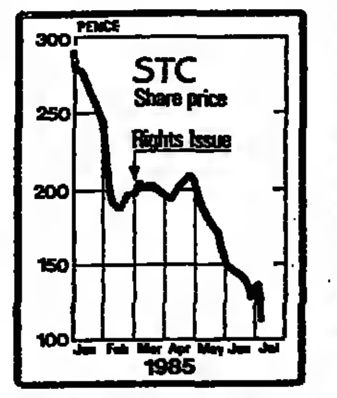
Yet what makes yesterday's arrangement more than a sophisticated balance sheet exercise of the debt conversion/rights issue type is the involvement of a third party in the form of Trafalgar House. The management of John Brown never seemed convinced that theirs was a business sound at heart but crippled by debt: they have always assumed that it would oeed a partner, if it were again to compete against far better capitalised companies in a hostile international environment.

It makes no difference that the banks have had to finance three quarters of Trafalgar's investment, for they would otherwise have needed to convert that amount into John Brown equity. After all, Trafalgar cannot hope to earn enough from John Brown in the short term to cover even 5 per cent servicing costs.

The deal appears to be remarkably equitable. Existing shareholders of John Brown might complain that they are excluded from dividend payments for two years. But it is highly questionable whether John Brown should be distributing earnings even on prospective pre-tax profits for the year to 1987 of double-figure millions. The banks could scarcely be expected to return John Brown to the dividend list and also leave existing shareholders sitting on their cheque books.

Certainly, the market scented a bonus for shareholders in pushing up the John Brown share prices to 37p at one stage. Even at the 33p close, it looks a reasonable propositioo to all except those who have lost faith in rights issues per se this last week. Meanwhile, the equity dilution has been contained to half-way manageable limits by the issue of a good portion of the bank equity in non-convertible form.

In retrospect, it is remarkable that John Brown picked up any contract work with a balance sheet showing net debt at three times equity; but with gearing down under half shareholders' funds, it will be much better placed to meet financing and bonding requirements on, say, a future Soviet contract. As for Trafalgar, it has recently signalled its interest in process engineering in its bid for Haden and its Davy stake; and John Brown's oil and gas side looks a much more plausible addition to Trafalgar's North Sea ambitions than ever did Haden.



STC

The parallels between STC's progress through the last year and that of Thorn EMI are too striking to be ignored. Each has made an expensive and unpopular acquisition, compounding the offence by touching the market for a still less popular rights issue. They have then found that trading profits fell seriously short of the budgets assumed by these grandiose plans and been forced to quieten the financial institutions' panickings with an early confession. In STC's case, the confession is not yet complete, since the actual figures for the first half are not to be announced until the planned date next month.

What can be inferred from STC's holding statement is unhappy enough. At a time when it is ploughing ahead with its £80m investment in a silicon chip facility, STC is evidently having trouble making any current profit from components. Rubbing salt in the wound, its ICL computer subsidiary has suffered from the rising sterling cost of components bought in dollars. But in contrast with Inmos, ICL is at least matching the profits expected of it on acquisition; the unfortunate implication is that the rest of STC is doing very badly indeed. Telecommunications, in particular, appears to be feeling the loss of order volumes, cost cuts notwithstanding.

So far as the STC management is concerned, it must be questionable whether it can survive to see the shares return to e level at which the group's incentive share options are worth exercising. That would need prices between 268p and 288p. And in view of the salary increases so freely distributed as a reward for last year's static profits, shareholders who subscribed to the rights issue might wonder if the executive scheme should be amended to require those options to be exercised forthwith.

The board's expressions of long-term confidence strike a distinctly hollow note. Given the apparent pressure on cash flow, intentions to maintain the dividend – at e gross cost of £70m – may not have quite the desired effect on City confidence. As with other companies in the sector, there is now so much doubt over immediate management capacity that STC's favourite talking point – its long-term strategy – has lost what little appeal it possessed six months ago. Electronics share prices now contain no premium whatever for grand designs.

Wedgwood

If any stock is a play on the foreign exchanges, it ought to be Wedgwood. Including the crockery tourists take back home from the UK, some 70 per cent of the company's sales go abroad and, of these, about half end up in the U.S. So nobody should be surprised to hear that Wedgwood had a cracking good year to the end of March, with pre-tax profits rising by nearly a half to £15.1m.

The story is not, however, quite so simple. Rich Americans, apparently, are as happy to buy German or Japanese teacups as the real thing from Josiah. Prices in the U.S. have not risen for three years and profits there have now actually fallen. Though there were positive developments in Japan and some European countries, the major impetus to profit came from production efficiencies – margins have widened by 2 points to over 11 per cent.

Though Wedgwood may soon be reaching the limits of these cost reductions, some benefit should come through next year from the modernisatioo of the hotelware plant. But even if growth does slow down, the prospective multiple of 7 or 8 on which the shares stand – at 219p – looks modest for a company which is still opening new markets; after 226 years, Wedgwood has just managed to break into profit selling teacups to the Japanese.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	26	79	Dubrovnik	S	25	77	Malaga	S	26	79	Salzburg	S	23	73
Akrotiri	S	28	82	Faro	S	22	72	Malta	S	30	86	Seoul	S	22	72
Algiers	S	35	95	Florence	S	32	90	Manila	S	32	90	Singapore	F	29	84
Amsterdam	S	21	70	Frankfurt	S	22	72	Miami	C	30	86	Stockholm	F	25	77
Athens	S	31	88	Funchal	F	23	73	Milan	S	27	81	Strasbourg	S	25	77
Bahrain	S	38	100	Geneva	S	24	75	Moscow	F	25	77	Sydney	S	20	68
Bangkok	R	29	84	Gibraltar	S	26	79	Munich	S	21	70	Taipei	C	33	91
Barcelona	F	23	73	Guernsey	S	20	68	Nairobi	—	—	—	Tangier	F	23	73
Beirut	S	31	88	Helsinki	F	17	63	Naples	S	31	88	Tehran	—	—	—
Belgrade	F	21	70	H. Kong	R	28	82	New Delhi	S	37	99	Tel Aviv	S	28	82
Berlin	S	20	68	Innsbruck	S	24	75	New York	S	26	79	Tenerife	F	25	77
Biarritz	—	—	—	Inverness	R	17	63	Nice	C	27	81	Tokyo	R	23	73
Blackpool	C	23	73	Istanbul	F	21	70	Oporto	C	18	64	Toronto	S	26	79
Bordeaux	C	23	73	Jersey	S	23	73	Oslo	C	22	72	Tunis	S	28	82
Brussels	S	23	73	Jo'burg	S	19	66	Paris	S	25	77	Valencia	F	28	82
Budapest	C	20	68	Las Palmas	F	24	75	Prague	F	19	66	Venice	S	23	73
B. Aires	S	16	61	Lima	C	20	68	Reykjavik	C	12	54	Vienna	F	20	68
Cairo	S	32	90	Lisbon	C	23	73	Rio de J'o	C	32	90	Warsaw	C	17	63
Cape Town	F	17	63	Locarno	S	26	79	Rome	S	29	84	Zurich	S	23	73
Caracas	S	27	81	London	S	22	72								
Casablanca	—	—	—	Los Angeles	S	39	102								
Copenhagen	S	21	70	Luxembourg	S	22	72								
Corfu	S	29	84	Madrid	T	21	70								
Dublin	C	20	68	Majorca	—	—	—								

Readings at mid-day yesterday:

C-Cloudy D-Drizzle F-Fair Fg-Fog R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Global may default

Continued from Page 1

sion plans on the assumption that rapidly rising oil prices would lead to a continuation of the drilling boom of the early 1980s.

Since world oil prices began to fall many oil companies have cut back sharply on their exploration drilling, and this has hit companies like Global very hard. The resale value of its fleet has fallen to the extent that several Wall Street analysts believe it is no longer sufficient to cover the company's heavy bank borrowings.

Global, which passed its dividend in May and had already warned that it needed to reschedule its debts, has been one of the fastest expanding companies in the field.

Wall Street analysts note that tha company had invested in the most up-to-date equipment in an aggressive bid to become the world's biggest offshore drilling rig company. Over the last four years, it had more than trebled the size of its offshore drilling rig fleet and more than trebled its borrowing to pay for its 35-rig fleet

Wall Street analysts suggested yesterday that the company might have acted in a bid to press its lenders to agree to an early debt restructuring.

JOBS COLUMN

So you think you are a logical thinker...

BY MICHAEL DIXON

ARE YOU a logical thinker? My reason for asking is that anyone who isn't would seem to have small chance of being selected for a high-level job.

Recruiters commonly stipulate logical thinking ability as an essential qualification. Candidates are often straightaway rejected unless they show the ability by scoring some more or less arbitrarily set high mark in abstract tests of reasoning.

The belief underlying the stipulation appears to be that logical thinking is something people either can or cannot do, much as they either can or cannot ride a bicycle. There are also a couple of other ways in which those two abilities are widely assumed to resemble one another.

The first is that people who can think logically can no more be expected to think that way on all occasions than a competent cyclist can be guaranteed to spend every waking hour in the saddle. The expectation is only that they always can think logically whenever the circumstances require it.

Another supposed resemblance is that, just as when you can ride one bike you can ride them all, once you have got the skill of logical thinking you can apply it to every kind of problem amenable to it.

People who adopt the bicycle-riding approach to logical thinking have the great force of tradition behind them. The same belief seems to have predominated for more than 2,000 years in western-type civilisations at least.

The belief was reinforced by Jean Piaget, the Swiss psychologist whose theories profoundly influence educational methods. He suggested that unless people are of below normal intellectual ability, they acquire the abstract rules of logical reasoning—rather like a generally applicable computer programme built into the brain—by about the age of 12.

Oh yeah? Anyone who subscribes to that belief might care to try the following test.

Suppose I have a set of cards, each of which has a letter printed on one side and a number on the other. I place four of those cards on the table in front of you so that you can see only one side of each. What you see is an E, an R, a 4 and a 7.

Then I tell you, not necessarily truthfully, that the cards conform to just one general rule. It is that if a card has any of the vowels—A, E, I, O, or U—one one side, it has an even number on the other.

Your task is to work out logically how you can best check the truth of that general rule by turning over two of the cards in front of you and seeing what is on the other side. Remember that they at present show E, R, 4, 7.

Which two did you turn over: E and 4? I did, and evidently most people with pretensions to logical thinking do the same. Unfortunately that is only half right.

The card showing E was a correct choice. If it had turned out not to have an even number on the other side, then the alleged rule would have been exposed as false. But turning over the 4 card was pointless.

One way only

All the supposed rule says is that if a card has a vowel on one side, it has an even number on the other. There is no suggestion that the system works the other way round so that if a card has an even number on one side, it has a vowel on the other. Whatever letter was revealed when you turned over the 4 card could have no bearing on the truth or falsity of the rule.

The right second choice was the card showing 7. If it had a vowel on the other side, the rule would be proved untrue.

If you chose the 7, congratulations! Peter Wason of University College in London, who invented what is now known as the Wason Selection Task, says it has been given to large numbers of different countries' university students, who are in general supposed to be better at logical thinking than most other kinds of people. In his "most optimistic" mood, he would not bet on more than 10 per cent of them getting the right answer.

But Dr Wason did not stop there. And what he and colleague Philip Johnson-Laird did next has revolutionary implications for the 2,000-year-old belief that logical thinking resembles bicycle-riding in the sense that anyone possessing the ability can apply it successfully to any relevant problem.

They decided to see whether the same people, including those who failed toe card test, could do any better at the same problem if it were presented to them in less abstract terms.

The terms devised by Dr Johnson-Laird, now of the Medical Research Council in Cambridge, were on the following lines. You are faced with four envelopes lying flat on the table. The first two have the flap side upwards, one being unsealed and the other sealed. The remaining two are front-side up, one with a second-class stamp on it and the other with a first-class stamp.

Your task is again to decide logically which two of them to turn over to check an alleged rule. It is: if an envelope is sealed, it has a first-class stamp on it.

When the students took the test in that form at least 70 per cent got it right. They turned over the sealed envelope and the one sporting the second-class stamp. In doing so they also overturned the belief that logical thinking ability consists in a set of abstract rules built into the brain.

The result was at first taken to mean that people unable to think logically in abstract terms could often do so in terms that were more concrete. But soon an odd thing happened.

The proportion of students passing the envelope version, having been consistent at 70 per cent plus up to about 1972, suddenly began to fall. The psychologists concerned cast around for an explanation.

Then they realised that up to about 1972 the real-life postal regulations had been the same as those of the test. A sealed envelope had to bear the day's equivalent of a first-class stamp; envelopes with second-class stamps had to be unsealed. Thereafter the postal regulations had changed, and the rising generations of students had no experience of the previous rules.

But Dr Wason says it would be wrong to think people need previous direct experience of the terms of a problem in order to work out the solution logically. Later tests indicate that the most likely explanation is that the terms of the problem need only to be sufficiently familiar for the people's minds to take them on board in shapes their reason can handle.

What about the minority who pass the abstract version: are they also as good as anyone else at the more concrete types?

Peter Wason cannot say yet. People who consistently pass the abstract test are so few that he has not managed to assemble enough to make a reliable test of their more wordly reasoning. The many failures, by the way, include not only a leading light of Mensa but also an Oxford don specialising in—you've guessed it—logic.

All he can say about the belief that the abstract ability is universally applicable, which is a foundation stone of academic education, is that while it may be true it has not been upheld scientifically.

So candidates who are asked if they are logical thinkers might do best to answer firmly yes in the hope that the prospective boss will turn out to think logically in the same ways they do, and illogically likewise.

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£13,000–£30,000

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Applicants must have first class analytical abilities and be able to think clearly and objectively about options available to solve particular problems. They should be enthusiastic, capable of working independently, and able to communicate effectively with colleagues from all disciplines. They must have good academic qualifications, in a numerate discipline, or possess equivalent skills, and should be familiar with quantitative analytical methods. Understanding of discounted cash flow techniques is essential. Experience in areas such as corporate planning, transport planning, and policy analysis is desirable for all posts, and is essential for the more senior positions.

Three senior posts will be available in the new Investment Adviser's department in London. Investment Adviser (£21,000 – £30,000), Deputy Investment Adviser (£17,000 – £24,000), Investment Monitoring Manager (£17,000 – £24,000).

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Interviews will be held in early August, with a view to appointments commencing at about the beginning of October. Starting salary will be subject to negotiation, within the salary bands shown, (currently subject to review). Posts in London will additionally attract London Allowance. Applications should include a full curriculum vitae, details of present salary, names and addresses of two referees, and an indication of which posts are of most interest.

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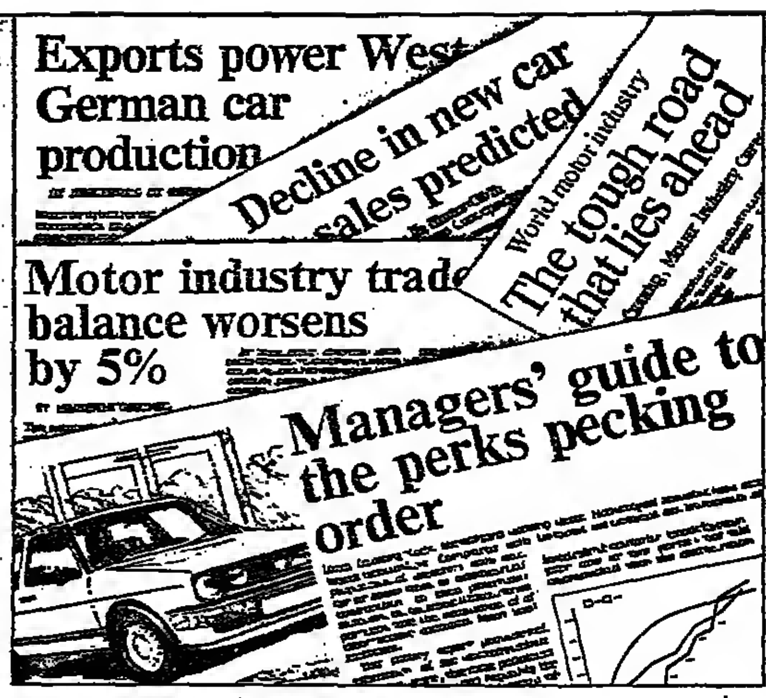

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THE REQUIREMENTS are technical computer expertise, with supporting business and accounting knowledge and the practice of critically following hardware and software developments and assessing their impact on users.

REMUNERATION, partly results linked, is expected to exceed £20K; by how much will depend on personal input as part of a committed team who have already shown how to convert entrepreneurial risk into profit.

Please write to Dennis Badham who is advising on this appointment (Ref. no. 0685591)

Tanstead Associates Ltd
Executive search and selection
500 Chesham House, 150 Regent Street, London W1R 5FA

Fund Management Opportunities

Standard Chartered Merchant Bank Limited is setting up a new Investment Division and will be making a number of key appointments in the coming weeks.

The immediate requirement is for:–

1. A Pension Fund Manager in middle to late thirties with international experience.
2. A Private Client Fund Manager in late twenties.

Both candidates must have successful and proven track records and have the ability to market. A university degree is desirable but not essential.

3. A Unit Trust Administrator with at least five years' experience.

Other suitably qualified people, including back office staff who believe their experience could be of value in establishing the new Division, are invited to submit their career details.

This is a unique opportunity to participate at the outset in the establishment of what will become a *major Division* within one of Britain's major international banking groups.

Written applications with a full curriculum vitae should be sent in confidence to:–

Michael Benson *Director*
Standard Chartered Merchant Bank Limited
33-36 Gracechurch Street
London EC3V 0AX

Standard Chartered
Standard Chartered Merchant Bank Limited

A NEW CAREER IN FINANCE

Due to continuous expansion a well established London Finance Brokers require responsible ambitious and enthusiastic people to work within their team of negotiators. Applicants should enjoy meeting clients, analysing and negotiating transactions. No selling involved, we are offering a challenging career for the right people. Please write with full C.V. to Miss S. Hills, A S Consultants (Brokers) Limited, 24 Red Lion Street, London WC1R 4PS.

CHEMICALS MANAGER

Is required for an ICI Agency Office in Kuwait, selling full range of ICI chemicals and other associated products.

Write for details to:
General Manager
Abdulla Sayid Rajab Al-Rifai (W.L.L.)
P.O. Box 23777
Safat, Kuwait

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CORPORATE FINANCE EXECUTIVE

COMMERZBANK, London Branch, wishes to recruit a highly motivated, fully experienced banker of proven ability and impeccable judgement to market their corporate finance services in the U.K.

Heading one of several small teams and reporting direct to the branch management, the successful candidate will be responsible not only for looking after a portfolio of existing clients, but will also be expected to identify and develop profitable new business relationships. Duties will be comprehensive and will *inter alia* include the monitoring of credit exposures and the formulation of credit proposals to their successful negotiation and conclusion with customers.

The ideal candidate will therefore possess a comprehensive knowledge of current markets and their various instruments, in addition to sound critical judgment based on a solid credit analysis.

Applicants should be around 30-40 years of age, well-educated with qualifications and experience appropriate to the demanding nature of this position. A sound working knowledge of German would be advantageous.

Emoluments will include the usual range of fringe benefits and will reflect the importance of this appointment.

Please apply in confidence, enclosing a detailed C.V., to The Personnel Officer, Commerzbank AG, London Branch, P.O. Box 286, 10-11 Austin Friars, London EC2P 2JD.

COMMERZBANK

FOREX APPOINTMENTS

For Foreign Exchange and Money Market appointments at all levels consult a specialist

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MANAGER
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Salary is negotiable, probably around £25,000, plus all the usual banking benefits and prospects for further career progression.

If you are attracted to the challenge of running a prestigious new branch for one of Britain's most progressive banks, **please write for an application form** or send your CV to **Mr. C. P. Allison**, Development and Training Manager, T.S.B. England & Wales, P.O. Box 99, St. Mary's Court, 100 Lower Thames Street, London EC3R 6AO.

All applications will be dealt with in the strictest confidence.

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Financial Accountant

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As a key member of the team you will have the drive, enthusiasm and flexibility to make a positive contribution. The position will encompass the preparation of quarterly and statutory accounts for UK and overseas operations, accounting for acquisitions, participation in computerised system development and liaison with all areas of the company.

The appointment is based in Central London and offers an extremely attractive benefits package including a share participation scheme.

If you are able to adopt a practical approach to problems expressing the solution in a concise and logical manner and are interested in a challenging role leading to excellent career opportunities **call Nevil Ede or write including a brief C.V.**

Personnel Resources
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CREDIT MANAGER
to £22K + car
COMPUTER COMPANY

Our client is a leading U.S. manufacturer of minicomputers with a dramatic record of profitable growth over more than a decade. Continuing expansion is placing great emphasis on credit control and the need has arisen to appoint an experienced Credit Manager.

As a key member of the U.K. management team, the successful applicant will be expected to participate in the overall business development of the company, such that, while credit risks are managed to the highest standards, the function is seen to contribute positively in the sales environment.

Based West of London and reporting to the Finance Director, the successful candidate will manage a small team of analysts and work closely with the Finance functions and line management.

Applicants should be members of the Institute of Credit Management with at least seven years' relevant experience, ideally in the high-tech industries. Aged from late twenties to early forties, with a good educational background, academic qualifications are less important than a highly professional outlook and mature personality.

A salary package of up to £22K with a company car will be complemeoted by a range of benefits appropriate to a major multinational.

For further information please telephone ***Alan Brown or David Abbott on 0628-75956*** *or send your CV, quoting ref: M/20S, to the address below.*

MKA

MKA SEARCH INTERNATIONAL LIMITED
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Maidenhead
Berks SL6 1NF

COMMODITIES — INVESTMENT SERVICES

Clients anticipating market developments have retained us to locate appropriate candidates for:-

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There are no upper limits to the remuneration packages achievable for these appointments, reflecting the calibre of applicants sought.

Please send a comprehensive C.V. or telephone Michael Hutchings.

Jonathan Wren & Co. Ltd., 170 Bishopsgate, London, EC2M 4LX.
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Treasury Dealers

Hill Samuel & Co. Limited, as a result of continued expansion of its Treasury Dealing Operations, invites applications for the following appointments:-

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The applicants will be in their mid-twenties with knowledge and experience of arbitrage techniques in Financial Futures markets.

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A dealer, mid-twenties, with a minimum of two years' experience is required to augment the team engaged in both spot and forward markets.

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An ambitious young person is required initially to assume responsibility for a variety of support duties. Subsequent early involvement in dealing activities will be expected and we are therefore looking to appoint a person with dealing potential. Candidates will be aged 18-22 with some previous experience of foreign exchange.

Competitive salaries will be offered, together with the usual range of substantial banking benefits.

Please write, in confidence, with a curriculum vitae to:-
Mr. P. E. Smith, Personnel Administration Manager,
Hill Samuel & Co. Limited,
100 Wood Street, London EC2P 2AJ.

HILL SAMUEL & CO LIMITED

UK Equity Analyst
c£25,000 package

Our client, an internationally active investment house involved in Investment Banking, Merchant Banking and Broking, seeks a UK equity analyst to complement their existing research coverage.

Candidates will probably be graduates with a minimum of three years' equity analysis experience, gained within a stockbroker or an investing institution. A broadly based background is preferable although sector specialists with a sound grasp of the UK market as a whole will also be considered. Knowledge of European markets may also be useful.

Reporting to a Director, the successful individual will analyse UK equities and be responsible for producing written research material as well as communicating ideas verbally to other members of the company. This is an unusual opportunity for an ambitious individual to establish themselves in a newly created key-role.

Please contact Elizabeth Evans at The Investment Division, 23 Southampton Place, London WC1A 2BP, telephone 01-404 5751.

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MENDIP DISTRICT COUNCIL
DIRECTOR OF ADMINISTRATION AND FINANCE
£19,392—£21,336

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Further details and application forms from the Personnel Section, Council Offices, Wookey Hole Road, Wells BA5 2NN. Telephone 0749 3399, extension 2221. Closing date 26th July 1985.

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Institutional Sales—Brewers and Distillers

We are seeking an ambitious and able individual to specialise in selling Brewing and Distilling sector shares to UK institutions, as part of our development in this important sector. This is only one of the several areas of high quality research which we now cover.

Ideally candidates will have either several years' experience of specialist sales within a stockbroking environment, or be currently working in the brewing industry, with a strong financial/sales bias. Prime requirements are drive, self-motivation and first class communicative skills.

Remuneration package will be competitive.

Please contact David Thompson,
Helbert Wagg & Co.,
Anderson Bryce Villiers Ltd.,
9 Devonshire Square, London EC2M 4YL.
Telephone: 01-623 4500.

HW

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If you are an experiencad Stockbrokar/Portfolio Manager, contact in confidanca:

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FINANCIAL/BUSINESS ANALYST

required for large British Group in the lalsure industry. Previous experience in analysis is essential and a planning background would be advantageous.

Would suit young qualifiad accountant or economist prefarably with an MBA. Tha job is based in the Home Counties but requires person to traval axtansively throughout the UK.

Please reply in strictest confidence giving details of age and experience to:

Carol Speed
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Edman House, 17/18 Maddox Street
London W1R OEY

OIL ANALYST

A respected, medium-sized firm of London stockbrokers seeks an analyst to work on the Oil sector.

Experience of the sector, though desirable, is less important than analytical skill and the ability to communicate both verbally and in writing. Candidates may have developed these skills either in the City, industry or in an academic position.

A competitive remuneration package is offered.

Write in confidence with CV, to Box A9057, Financial Times, 10 Cannon Street, London EC4P 4BY giving the names of any firms to whom applications are not to be forwarded.

INTERNATIONAL BANKING SERVICES

Negotiable around £26,000

National Girobank is seeking to appoint a manager to control and further develop its International business from a well-established and profitable base.

Reporting to an Executive Director and located at the bank's City head office, the Manager—International Division is responsible for overseeing all clean and documentary payments, working relationships with foreign banks and overseas Giro's. *He/she will also support business development* initiatives with existing and prospective corporate clients.

Key responsibilities include the profitable enhancement of international products and services *for both personal and corporate sectors appropriate* to the bank's strengths and stage of development. The position includes direct involvement in planning and developing the necessary technology and support infrastructure for these services, as well as the need to work closely with the bank's Treasurer on matters relating to Forex dealing and wholesale banking.

Based on several years operational experience, together with a thorough understanding of the principles of international banking, the job requires mature management and planning skills with a proven ability to exploit market opportunities. The ideal candidate is likely to be in the mid 30's, and will hold an appropriate qualification: a knowledge of other languages, particularly French, would be an advantage.

Commencing salary is negotiable around £26,000. Further performance related salary progression is possible. Other main benefits are 5½ weeks holiday and contributory index linked pension scheme. *Relocation assistance will be provided where* appropriate.

National Girobank is an established UK Clearing Bank with a substantial growth record in both corporate and personal banking markets and further growth and diversification is planned.

Please reply in writing outlining career, salary progression and how your skills and experience match the requirements of the job to: Peter Farrer, Head of Management Development, National Girobank, 10 Milk Street, London EC2V 8JH.

NATIONAL Girobank

Young Accountants
for Internal Audit
A Route to International Financial Management
London Based

We have a requirement for internal auditors to be based either in Group Headquarters, Britannic House, London EC2 or with BP Oil Ltd. at BP House, Victoria.

Group Internal Audit, based in Britannic House, is responsible for Operational and Computer Audits and Internal Control Reviews for a number of Group Companies and Businesses located worldwide.

Internal Audit of BP Oil is responsible for Operational Audits at BP Oil's many installations in the UK including the refineries at Grangemouth and Llandarcy.

The key tasks in both areas involve independent appraisal of operations and systems, the adequacy of their control and recommendation of any appropriate changes to senior management.

Candidates must be graduate, professionally qualified accountants in their 20's preferably with some post-qualification experience. Fluency in French is also a definite asset for Group Internal Audit and both areas require good oral and written communication skills.

An attractive remuneration package includes Inner London Allowance, non-contributory pension scheme, subsidised lunches, and assistance with relocation expenses, where appropriate.

Two years' experience in the Internal Audit function at BP is seen as an excellent entry point to a major British multinational, multi-business group and provides opportunities for a progressive career towards financial management posts within the UK and abroad.

If you wish to learn more please write or telephone for an application form, quoting ref. B.240 to:

Mrs. Jenny Dawson, Personnel Assistant,
The British Petroleum Company p.l.c.,
Britannic House, Moor Lane, London EC2Y 9BU.
Tel: 01-920 8218

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We invite applications from candidates, ideally but not necessarily graduates, aged 25-32, who must have had at least 3 years' significant experience in a securities dealing room on the sales/marketing side in International Fixed Income products. Our Client seeks senior marketers to cover France, Germany, Switzerland, UK and Middle East hence French and/or German speaking ability will be a distinct advantage. The selected candidates will be responsible for the Sales and Marketing of the full range of International Fixed Income products (US Domestics and Eurobonds). Essential personal qualities are strong presentational skills and the total commitment expected of a Senior Officer level appointment. Initial earnings by way of high basic salary and bonus will be negotiable in the range $100,000-$200,000, more will be paid where appropriate, plus car, contributory pension, free life assurance, free BUPA. Applications under reference VP/16902/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

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Eurobond – Sales

We currently seek an Assistant Manager for the sales team of a leading European bank which is increasing its Eurobond activities in London.

Reporting to the Manager of the department, the successful applicant will take an existing portfolio of business and will be responsible for its further development as well as the build up of a sales team.

Candidates, probably aged 24-28, will have proven experience in Eurobond markets and the ability to succeed in this demanding environment.

The attractive remuneration covers the usual banking benefits together with a performance related bonus.

Interested applicants should contact Jonathan Williams on 01-404 5751 or write, enclosing a comprehensive curriculum vitae, to 23 Southampton Place, London WC1A 2BP, quoting ref. 3515.

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International Recruitment Consultants
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بنك الرياض
RIYAD BANK
Head Office—Jeddah

Marketing Opportunities

Riyad Bank, a leading Saudi Arabian bank, with a large domestic branch network, is responding to an increasingly competitive home market by making the following new appointments.

Corporate Marketing Manager

The successful candidate, to be stationed at Head Office, Jeddah, will assume responsibility for marketing professional banking services to major private and public enterprises in Saudi Arabia. He will be responsible for the corporate banking units in the main commercial centres of the kingdom. General and marketing experience acquired in a large banking or similar organisation is a key requirement.

Corporate Marketing Officers

We seek to appoint several officers in the corporate banking units whose responsibilities would be to solicit, develop and sustain customer relationships in the assigned regions of Saudi Arabia. Candidates should have experience in the delivery of wholesale financial services.

A fully competitive package will be offered to the right candidates. Bankers with suitable qualifications, motivation, adaptability and experience are invited to submit their applications, in strict confidence, to

The Chief Manager, Riyad Bank,
Licensed Deposit Taker,
London Branch, Temple Court,
11 Queen Victoria Street, London EC4N 4XP

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Over 700 clients currently use our services, including major retailers and banks, building societies, insurance companies and also blue-chip FMCG manufacturers and mail order organisations.

We are looking for Senior Consultants in both Financial Services and Retail Planning sectors to join our existing forty strong team and spearhead our drive into large scale consultancy projects.

We are seeking professionals with a proven track record in management consultancy or in operations research or line management within client organisations. Applicants will be fully at ease with quantitative techniques.

An ability to communicate right up to the most senior levels is essential. Equally important, we are looking for people with drive and an enthusiasm for the opportunities offered by this dynamic discipline.

Apply in writing to Clive Humby:

CACI MARKET ANALYSIS
59-62 High Holborn, London WC1V 6DX
Telephone: 01-404 0834

bank leumi (uk)

Bank Treasurer

Negotiable to £30,000

Bank Leumi (UK) Plc is the UK subsidiary of Bank Leumi le-Israel BM the leading Israeli bank ranked in the top 75 banks of the world. Our retail and corporate business is centred mainly in London with one office in Leeds. We wish to appoint an experienced banker to the position of Treasurer.

Reporting directly to the General Manager, this position is responsible for the effective management of the money market, fixed interest investments and securities trading. The development of the bank's business into the whole range of financial markets including portfolio management would be expected. Applicants should be true banking professionals with proven ability within the treasury function, have a well developed negotiating skill and judgment second to none. As a member of senior management, the right applicant would be expected to make an active contribution to the future development of the bank.

Please apply in writing outlining your salary and career to date, to:

Brett Hollins, Personnel Manager
BANK LEUMI (UK) PLC
4/7 Woodstock Street, London W1A 2AF

Institutional Sales

A leading firm of UK Stockbrokers, which has successfully aligned itself with a highly regarded international bank, now seeks to appoint additional institutional sales executives.

Candidates will either be currently servicing UK institutions on a full time basis or be analysts with regular institutional contact and should have knowledge of either the chemicals/pharmaceuticals, oil or mining sectors.

Consideration will also be given to candidates who have a relevant industrial or commercial background but who have no experience of securities markets. The client will require individuals to display general financial aptitude and keen marketing flair.

The firm's excellent company contacts enable it to produce research of the highest quality and this is an ideal opportunity for ambitious individuals to establish a major position in the City.

Remuneration will fully reflect the importance attached to these key roles and will be made attractive to the right individuals.

Please contact Sarah Gates at the Investment Division, 23 Southampton Place, London WC1A 2BP. Telephone 01-404 5751. Strictest confidentiality is assured.

MP
Michael Page City
International Recruitment Consultants
A member of the Addison Page PLC group

MANAGER'S ASSISTANT — [illegible] + [illegible]

We have been retained by one of our Clients, a well reputed British Bank, to recruit a Manager's Assistant. Responsibilities will include the management of a small team — handling all aspects of International currency on term trade finance, together with the maintenance and development of both existing and new contacts within this specific area. The successful candidate, aged 24-30, will possess a sound knowledge of International Banking, good communication and inter-personal skills, and be able to impart enthusiasm to the team under his/her control. Sound judgement skills in country and credit risk assessment are essential as is the ability to make positive recommendations to the Credit Committee.

JUNIOR LOANS ADMIN CLERK — [illegible] + [illegible]

Our Clients also seek to recruit a Junior Loans Administration Clerk. Candidates should be in their early 20's, and possess a minimum of two year's relevant experience, including Rollovers, Drawdowns, Rate Fixings, etc.

For the above vacancies please contact Richard Meredith.
All applications will be treated in strict confidence.
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A major expanding City based firm of Stockbrokers who have recently announced their tie-up with a well respected international institution, seek an experienced Equity Salesperson to contribute to their own international team.

Probably in their late 20s or early 30s, candidates must have experience of equity sales in both the home and international markets within a stockbroking environment. In addition, particular knowledge of the US market and some research experience will be a definite bonus. A competitive salary package will be offered to the successful candidate.

For an initial interview telephone or write in complete confidence to **Tim Wilkes**, Stockbroking Division.

CHARTERHOUSE APPOINTMENTS

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Birmingham B3 3ER

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Wa are a leading London firm with intarnational connections and strong representation in the areas of fixed interest and equity business.

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FINANCIAL TIMES, 10 CANNON STREET, LONDON EC4P 4BY.

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with 2-3 years' experience in foreign exchange and deposits gained with an active dealing bank in London. Salary commensurate with experience.

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The Foreign Exchange Manager
BANK OF OMAN LIMITED
3 South Place, London EC2P 2NH

OIL TRADER

A small oil trading group requires a crude and petroleum products trader.
Applicants should have 10 to 15 years' experience of the oil industry with at least the last 3 years in a commercial/trading position.
A sound knowledge of the European market is essential, while familiarity with the U.S. and Far East markets would be an advantage.
The remuneration is negotiable but will reflect the experience of the successful applicant.

Please forward a comprehensive C.V. and photograph (returnable) to Box A9056, Financial Times 10 Cannon Street, London EC4P 4BY

The Financial Times

SALES EXECUTIVE

Recruitment Advertising

The Financial Times is the market leader for financial recruitment advertising and is looking for an additional Sales Executive to join a small and energetic sales team.

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If you want to be part of the FT's very successful Classified Department and possess the necessary experience call Francis Phillips on 01-248 4782 or write to him at The Financial Times, 10 Cannon Street, London EC4P 4BY.

CPC/Europe

Important multinational company in the food sector with 17.000 employees and operations in 17 West European countries, is seeking a

SENIOR INTERNAL AUDITOR (m/f)

to join its European Headquarters staff.

Initially responsible for internal audits of our European affiliates, this position is intended as a starting point for a senior career at headquarter or affiliate level in our European organisation.

The successful candidate will be a CA, CPA or French equivalent with sound knowledge of Anglo Saxon accounting and auditing principles and two or three years' professional or commercial experience. Fluency in French and English essential; knowledge of one other Southern European language an advantage.

The post based preferably in Brussels, will appeal to a young professional enjoying extensive European travel.

Please apply in English to Mrs. S.M. Humphries, CPC Europe Ltd., Avenue Louise 149, 1050 Brussels.

134/96

INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

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SWITZERLAND

The BANK FOR INTERNATIONAL SETTLEMENTS,
an international institution in Basle,
is looking for a

Statistician/Data Quality Controller

to develop computer-based documentation on statistical series as part of complex data-reporting systems, including specification of quality control techniques to evaluate the plausibility of data input and to monitor actively the daily processing of statistics and the integrity of datad bases.

Candidates, who should be aged between 25 and 35, should have experience in the field of international financial data and in the specification of statistical systems. A sound knowledge of English is essential; knowledge of French and German would be an advantage. The Bank offers a good salary and first-class pension and welfare benefits.

Please write, enclosing curriculum vitae, copies of testimonials and recent photograph, to the Personnel Office, Bank for International Settlements, 4002 Basle, Switzerland.

INTERNATIONAL AUDITING

NIXDORF COMPUTER, one of the leading international computer companies (22.000 employees worldwide, 3.27 billion DM turnover in 1984) has an immediate opening for an Internal Auditor with the Corporate Audit Department based in Germany. Candidates must have a Business degree, and 1 – 2 years experience in auditing. Fluency in English is essential. Knowledge of German and another European language would be an advantage.

You will work with a team of internal consultants, analysing and evaluating internal operating systems and controls in our foreign marketing subsidiaries. Travel time is approximately 40%. Interested? Send full CV to:

Nixdorf Computer AG
Personalbereich Finanzen
Peter Hascher
Fürstenallee 7, 4790 Paderborn
Germany

NIXDORF COMPUTER

PRESS AND INFORMATION OFFICER

International organization working in the electrical and electronics field has an opening for a press and information officer at its Ganeva headquarters. Responsibilities include press relations, internal and external communications, speech-writing, preparation of displays and exhibitions and general information, support of the organization's activities.

Candidates must be of English mother tongue with ability to work in written and spoken Franch. Previous experience in the information field and a background of writing skills are also a requisite.

Applications should be sent to:

International Electrotechnical Commission
P.O. Box 131, 3 rue de Varembe
1211 Genava 20, Switzerland.

INVESTMENT MANAGER

A major Pan Arab Investment Company is seeking to recruit a Manager for its Investment Banking and Capital Markets Department.

The Manager shall be responsible for recommending investment strategies and supervise and be responsible for their implementation, and the day-to-day operations of the Department, and he will report to the General Manager.

Applicant should have an M.B.A. or equivalent with a minimum of seven years of operations and management experience with an institution active in the International Capital Markets. Direct exposure to and contact with the International Markets is essential.

We offer an attractive salary and benefits package, commensurate with candidate qualifications and experience.

Applications, which will be treated in strict confidence, should be sent along with a C.V. to P.O. Box 11094, Reference no. HAD, DUBAI, U.A.E.

Senior Auditor

Middle East Financial Institution

$60,000+ (tax free)

An investment institution in the Middle East seeks a well-qualified Senior Auditor. The position is based in the Middle East. The successful candidate will report to the Chief Internal Auditor and will assist him in establishing and managing an audit department for the entire organisation. The job will encompass the design of audit procedures and systems; establishment of work programmes; recruitment and training of staff; and systems development.

Candidates should have CA or CPA qualification or equivalent and five to ten years post qualification experience, preferably with a financial institution engaged in portfolio investment activities. Candidates should be familiar with EDP and computerised MIS systems as related to audit. Knowledge of the Middle East is useful, but not essential.

We are offering an attractive compensation package, including salary and complete Middle East benefits package including housing, car and passage paid home leave.

Please reply in confidence with full career details to:

St. James's Corporate Consulting,
Box FT/927, St. James's House
4.7 Red Lion Court, Fleet Street, London EC4A 3EB.

Turner & Newall, a leading producer of friction materials worldwide through its FERODO companies, has recently acquired Beral Bremsbelag GmbH, an important friction material manufacturer in West Germany. Located at Marienheide, 60 km from Cologne, this new acquisition has sales of £20 million and 600 employees.

Financial Controller

West Germany : DM 130,000 neg.

This new appointment at Beral Bremsbelag is being made by T&N. Responsibility will be to the General Manager for the effective co-ordination of all financial systems and operations. This wide ranging role, which requires the ability to work in a general management context, involves business and profit planning.

Candidates should be professionally qualified and have financial and management accounting experience at a senior level in manufacturing industry. Spoken English and German is necessary, and fluency will be ideal.

A competitive remuneration package includes a company car and relocation assistance to the Marienheide area.

Please apply in complete confidence with full career details to:

M. N. Sargent, Personnel Adviser,
Turner & Newall PLC, P.O. Box 20,
Ashburton Road West, Trafford Park,
Manchester M17 1RA.

T&N Turner & Newall PLC

CBI

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GENEVE

Due to continued growth, our bank is seeking for the head of a newly-created division an

ASSISTANT TO THE HEAD OF DIVISION

(male or female)

The ideal candidate aged 28-35, Swiss citizen or holder of a valid work permit (C permit), will have a university degree, an excellent knowledge of English and French, both written and spoken. Other languages would be an asset. 3 to 6 years' previous experience in a financial company or in the finance department of a major international firm, some knowledge of accounting and financial analysis, as well as the ability to work independently and good communication skills are the qualities required for this challenging position with excellent career opportunities for the right candidate.

We offer a competitive salary, good social benefits and excellent working conditions in our centrally located new building.

Please apply in writing in confidence with full C.V. to:

The Personnel Manager
COMPAGNIE DE BANQUE ET D'INVESTISSEMENTS
8, Place Camoletti
1211 GENEVA 03 - SWITZERLAND

SWITZERLAND

The BANK for INTERNATIONAL SETTLEMENTS

an international institution in Basle,

is looking for a

DATA BASED TECHNICIAN

to participate in the development of statistical systems and to assist in the day-to-day operations involved in the use of these systems on a production basis, particularly with regard to questions of data security. Candidates, who should be aged between 25 and 35, should have experience in the specification and development of statistical systems and should have operational knowledge of automation techniques for mainframe and remote job entry processing via telecommunications. A sound knowledge of English is essential; knowledge of French and German would be an advantage.

The Bank offers a good salary and first-class pension and welfare benefits.

Please write, enclosing curriculum vitae, copies of testimonials and recent photograph, to the Personnel Office, Bank for International Settlements, 4002 Basle, Switzerland.

International Appointments

COMMERCIAL BANKING

LOAN OFFICERS

We are an international bank – a member of the Deutsche Bank Group – whose activities are mainly focused in tha Asia-Pacific area. Our continued expansion in this region necessitates further staff recruitment for the Bank's Head Office in Hamburg, West Germany.

Ideally you will be in your twenties or early thirties and already have a sound banking background with several years' experience in commercial lending and loan administration, in addition to good knowledge of international banking. Command of German would be an advantage but not essential.

Appropriate training, both in Hamburg and overseas, will open up attractive career opportunities for successful applicants.

Remuneration will be commensurate with the high standards and experience required and will include fringe benefits, social security and pension plan. Moving expenses will be met and assistance provided in finding accommodation.

Qualified applicants are invited to apply in confidence by sending a full curriculum vitae to:

Chief Personnel Manager
European Asian Bank AG
Neuer Wall 50, D-2000 Hamburg 36
West Germany

European Asian Bank
The European bank for business in Asia

GERMANY · AUSTRALIA · HONGKONG · INDIA · INDONESIA · JAPAN · KOREA · MACAU · MALAYSIA · PAKISTAN
PHILIPPINES · SINGAPORE · SRI LANKA · TAIWAN · THAILAND

The Chase Manhattan Bank, N.A. is the third largest American bank with representations in different countries. The Regional Office in Frankfurt/Main, Germany, of its General Auditing Department is looking for

Senior Staff Auditors

Task:

To participete in and eventually lead (depending on the level of experience) eudits in the fields throughout Europe, Africa end the Middle East.
Audits comprise financiel eudits, deta centre reviews, EOP-system reviews end eudit softwere development.

Qualifications:

— Candidete should hold university degrees end/or experience in the fields of:

ACCOUNTING AUDITING BUSINESS FINANCE
EDP—systems analysis and programming BANKING

— In eddition to the above requirements, perfect knowledge (both spoken and in writing) of English end Germen is e must.
— The candidetes should be prepared to travel to countries in Europe, Middle East and Africa (25-50% of the time for periods of three weeks).
— Knowledge of the use of personal computers is an essec.
— Age should not exceed 35 years.

We Offer:

— Excellent salery commensurate with experieace and liberal benefits.
— *Highly professional in-house training in euditing (both financial and computer related) and banking.*
— Young working environment end a properly defined career path.

Qualified and interested individuals should send résumés including salary requirements and date of availability to

CHASE

CHASE MANHATTAN BANK, N.A., HUMAN RESOURCES DEPARTMENT, MR. POLZ
TAUNUSANLAGE 11, 6000 FRANKFURT AM MAIN 1

Financial Controller

Substantial Package — **India**

Our client, a progressive multinational field Service Group, operating in over 95 countries worldwide seeks to recruit a high calibre individual for the position of Financial Controller – India.

The candidate will be 30-35 years old, be a qualified accountant or have an M.B.A. and relevant post graduate experience. Preference will be given to candidates who are natives of, or have had experience of, working in India and who have considerable tax exposure either in the profession or within industry.

The main areas of responsibility will be:

★ Financial and Management Reporting ★ Budgetary Control and Planning
★ Tax Management and Planning ★ Accounting Systems, procedure and implementation

The Company has an excellent reputation for individual development and a candidate who can demonstrate strong ability and performance will be expected to develop into the next generation of top management. This normally takes the form of a move after 2/3 years to another location anywhere in the world.

Interested candidates should contact **David Nicholson ACA** on **01-831 0431** or write, enclosing a comprehensive c.v., to **Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QH**, quoting ref. 1045.

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Michael Page International
Recruitment Consultants
London Brussels NewYork Sydney
A member of the Addison Page PLC group

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This is the first of 3 appointments to a worldwide D.P. resource operating from:
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It is a unique opportunity to take a lead in the global review of D.P. applications; especially distributed processing, personal computing and office automation.

Initially part of the London-based review team who act as management consultants, this specialist will travel almost continuously in Europe, Scandinavia, Australasia and the Far East. He or she will interchange with D.P. professionals in the USA where there are early promotion prospects.

If you have substantial computer audit or systems experience call Bill Curteis on 01-242 6321.

Personnel Resources
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OUTSTANDING OPPORTUNITY TO HEAD THE LEADING INVESTMENT MANAGEMENT GROUP IN A DEVELOPING ASIAN COUNTRY

The leading force in the investment scene in a rapidly developing Asian Country is seeking a new Chief Executive Officer to maintain and extend its Investment Management Business in one of the world's fastest growing economies.

The company is a joint venture of leading International Institutions and Domestic Banks and has already established a strong position in the forefront of the portfolio investment business in that country, working closely with Government authorities.

The appointee will need to have substantial experience of all aspects of fund management and a good working knowledge of the administration and establishment of funds. He should be able to demonstrate strong powers of leadership and the ability to negotiate with Chinese businessmen and government officials at all levels. Fluency in a Chinese language, while not essential, would prove a major asset.

Substantial support from the foreign and domestic shareholders is assured but the candidate will need to be a responsible decision maker, who is also familiar with conventional reporting procedures. He is unlikely to be under 35 years of age.

If you are ambitious and enjoy a demanding but satisfying challenge and possess a successful management record together with the proven ability to manage a growing company, please apply as soon as possible with a detailed curriculum vitae to: **Personnel Director, G.P.O. Box 590, Hong Kong.**

Private bank
FINANCIAL OPERATIONS
PARIS

A long-established private bank, highly esteemed for its continuous success, wishes to engage two persons whom, alongside the Department Manager, will initiate the development of financial operations in France (listing on the Paris Bourse, capital issues, bond issues, etc.).

head of studies for financial operations

This post would suit a bank executive with experience in setting up financial operations, and familiar with all aspects of such operations including their legal and fiscal consideration, etc. **(Ref 553-FT)**

external relations executive for financial operations

This is a job for an executive (age about 35) with specialized training, who can provide justification of initial experience in setting up financial operations and is attracted by contacts and negotiation at the highest level **(Ref. 555-FT)**

For both these posts, remuneration will be commensurate with experience.

Apply to **Cabinet R.C.C.** (full confidence guaranteed): write your letter by hend, attaching a detailed career resumé with photograph and present salary, mentioning the reference of the post in which you are interested.

RCC Recherche / Conseil / Cadres
6, AV DU COQ · 75009 PARIS · FRANCE

JCB

OVERSEAS CONTROLLER

JCB is the leading UK manufacturer of earth-moving equipment, with an impressive record of growth, capital investment and export achievement. Our product range is sold in more than 100 countries, and leads the market in over 50. A large proportion of this business is conducted through wholly-owned overseas subsidiaries, strategically centred in major markets.

Due to continued business development, we seek an Overseas Controller to develop and maintain financial controls and reporting systems between our subsidiary companies, and our Head Office at Rocester. The wida ranging responsibilities of the position require well developed skills in planning and forecasting, business analysis and development, and audit control. Applicants should be qualified accountants, with experience of subsidiary company financial reporting, ideally including overseas operations.

The position is based at our Rocester headquarters and will include substantial overseas travel. We offer an attractive benefits package, and excellent career prospects in an expanding worldwide organisation.

Please apply with full details of career to date to:
Graham Barwell, Personnel Officer – Staff,
J C Bamford Excavators Limited, Rocester, Staffs. ST14 5JP.

GULF AREA—
Financial Manager

A major petrochemical company in the Gulf area seeks an experienced Financial Manager to be responsible for managing:

— All accounts and funds of the company
— Short-term and long-term financial policy
— Operating budget preparation and follow-up
— Marketing activities
— Computerisation of the main functions in the company.

The candidates must be very familiar in negotiations at high level with local and international groups of banks, with some exposure to legal and contracts works.

Qualifications required:
(a) High diploma in the financial field
(b) At least ten years' experience in similar job
(c) Arabic shall be the mother tongue and English must be perfect. French could be an asset.
(d) Age around 40 with maximum 50.

Interested applicants are requested to send their applications together with:
(a) Curriculum vitae
(b) Certificate of previous working experience
(c) Photocopy of diplomas
(d) Recommendation letters

TO: THE GENERAL MANAGER
P.O. BOX 756
DOHA — QATAR

not later than end of July 1985.

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INTERNATIONAL APPOINTMENTS

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هكذا من الأصل

Accountancy Appointments

TRENT REGIONAL HEALTH AUTHORITY

PRINCIPAL ASSISTANT REGIONAL TREASURER

£18,482-£22,689 p.a. (under review) based in Sheffield

A qualified accountant with considerable management experience in industry or the public service is required to head one of two major divisions of the Regional Treasurer's Department.

Duties include control of financial services and provision of financial advice in respect of the Authority's directly managed services costing £40m per annum and the Region's capital programme totalling £70m per annum.

The successful candidate will have considerable problem-solving ability, take decisions at a high level and have inter-personal and leadership skills to manage 40 staff.

Further details and application forms from Regional Personnel Officer, Fulwood House, Old Fulwood Road, Sheffield S10 3TH (tel: Sheffield (0742) 306511 ext. 394/319), quoting ref: AR34. Closing date: 17th July, 1985.

For informal discussion please contact Mr. K. Puat, Regional Treasurer, on extension 229.

Edgley Optica

Finance Director

Wiltshire — **c.£25-£30,000 + car**

Our client has designed, and now manufactures, the world's only purpose built general aviation observation aircraft, the Optica.

With a healthy order book and customer deliveries underway, a Finance Director is required to join the board at a period when the company is progressing towards a USM flotation.

The successful candidate will demonstrate qualities of initiative and the ability to assert authority and will be a qualified accountant, preferably chartered, in his or her thirties. Requirements include an impressive track record demonstrating success in an export orientated manufacturing environment, commercial acumen and a familiarity with the City.

This is an opportunity to join a unique organisation at an exciting stage in its development.

Please write in confidence enclosing career details and quoting ref: 2801/L, to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

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Management Consultants

Major Commercial Centres

to £30,000 + car

We are one of the leading and fastest growing management consultancies in the UK. We offer a diverse range of advisory services to clients spanning a complete spectrum of commercial and industrial businesses, as well as the public sector. Our reputation and success is founded on the recruitment, retention and development of consultants of the highest calibre. As part of our expansion programme, we are further strengthening our financial consulting group in Birmingham, Bristol, London, Manchester, Leeds, Glasgow and Edinburgh.

The work undertaken by our financial consultants includes business analysis and strategy, and the development of management information systems. However, you will also have the opportunity to develop your abilities and knowledge by working together with professionals in other disciplines.

Candidates are likely to be aged between 30 and 40 and should have a good first degree, together with a recognised accounting qualification.

You should have a demonstrable record of success in a profit driven organisation, leading to a senior management position. You will need the communications skills to operate effectively in the boardroom as well as the intellectual and practical skills to tackle problems and implement sensible solutions. Above all, you should have the management ability and drive to grasp responsibility and opportunity in a growing firm. Promotion is based strictly on merit. For those who can also demonstrate a successful record in consultancy including business development, there are opportunities at senior levels.

Please reply in confidence, stating your preferred location, giving concise career, personal and salary details to Micheline Wilkin, Executive Selection, quoting Ref. FC1.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Management Consultants
Your next good idea

Internal Audit — an international role

c. £14K

A highly successful U.S. multi national with sales in excess of $1 billion, our client is structured in product oriented divisions with bases across Europe. Due to an internal promotion it now requires a further qualified Accountant to join its U.K. based audit team.

Reporting directly to the U.S., the team's prime responsibility is to provide an internal audit service throughout Europe with a shared responsibility within the Pacific basin. To achieve this aim there is, of necessity, a high proportion of time spent outside the U.K.

The ideal candidate will:—

* be educated to degree level and professionally qualified, preferably ACA, ACCA or ICMA.
* have a minimum of two years post qualification experience within industry or an accountancy practise
* possess well developed communication skills with the ability to adapt to local cultures.

Of prime importance is your practical audit experience within manufacturing companies and a desire to further your career within a major organisation.

In addition to the negotiable salary there is a generous range of fringe benefits including relocation, if necessary, and excellent prospects world wide.

To find out more phone Simon Matthews quoting reference 192 on Newbury (0635) 48709 or write to him at:

Larkfield Associates
Personnel Consultants
Mill Reef House, 9-14 Cheap Street,
Newbury RG14 5DD

FINANCIAL DIRECTOR designate

West Midlands based high-tech leader — **£20,000 negotiable, plus benefits**

Britain's leading independent automotive design and prototyping specialist, with a substantial capital investment programme in computer-aided design and manufacture, seeks a dynamic financial director. The company plans to further increase its market penetration and has flotation as a reasonably short-term goal.

Ideally, candidates should be graduate qualified accountants in their mid-thirties and be able to demonstrate sound practical experience in manufacturing industry. They should be capable of contributing to corporate policy and representing the company with outside bodies as well as managing the in-house accounting and financial control. They must be attracted to being a member of a management team led by an entrepreneur in a highly technological business.

The successful candidate should merit appointment to the board and equity participation within twelve months.

Applications, giving full career details and current remuneration, quoting reference S/2149, should be sent in complete confidence to Patrick Bailey, at:—

Annan Impey Morrish Ltd.,
Management Consultants,
40/43 Chancery Lane, London WC2A 1JJ.

AIM
MANAGEMENT CONSULTANTS

Senior Finance Team

Central London

This major British manufacturing plc, with operations in 22 countries and 70 subsidiaries, is strengthening the senior finance team based in its corporate headquarters with these two key appointments.

Group Financial Planning Manager

c. £22,000 + car

This newly-created position will act as the Financial Controller's primary executive in all aspects of financial planning, budgeting, investment, performance evaluation and investigations.

It will attract experienced financial planning executives, in their early 30s, who are graduate ACAs or ACMAs; an MBA would be particularly appropriate. A strong record of analytic capability in major industrial or commercial organisations, including profit improvement, costing, investment analysis, corporate finance work and refined management accounting, is essential. A management consultancy background would be relevant. Ref: R2046/FT.

Group Financial Accountant

c. £18,000 + car

Financial accounting has been given increased importance and a young professional is sought to head the function and be responsible for specifying and issuing accounting policies companywide and controlling the completion of statutory and head office accounts.

This is an opportunity for a graduate ACA, around 30, who either is still with an international audit practice or has recent experience in a major industrial or financial group. A demonstrated interest in and capacity for maintaining the highest professional standards in international accounting are most important. Ref: R2047/FT.

Salaries are negotiable and the usual large-company benefits apply.

Please send full cv, including current remuneration package and quoting the appropriate reference, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent.)

PA
PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

A Commercially-Minded Accountant
is required by a small international management services group as their

GROUP CONTROLLER

c. £25,000, London

This is an innovative appointment working directly with the Chairman and the heads of the ten operating companies. The job will extend beyond financial reporting to computer development, tax and special projects, and should lead to a Financial Director appointment.

Candidates, probably in their early thirties, should have:

* A good accountancy qualification
* Background including micro-computers
* Some international and consolidation experience
* An unusually alert mind

If you match these standards and want to work in the service company sector, write, in confidence, to:

Peter Southgate, Haymarket Consultants,
1 Golden Court, The Green, Richmond, Surrey, TW9 1EU
Tel: 01-948 8444

HAYMARKET
CONSULTANTS

Divisional Financial Controller

Thames Valley — **c£22,000 + car**

Our client is the major operating division of one of the world's fastest growing and intellectually stimulating computer systems organisations.

Continuing expansion and planned decentralisation of the finance and accounting function has resulted in the need for a high calibre executive to guide the division through this critical phase of development. This role will entail creation of accounting principles and the management of the accounting function which applies them. Involvement in the development of new management information systems is expected including project costing and credit control.

Preferably a Chartered Accountant, aged 30-45, you should have gained sound experience in a project based service related environment. Familiarity with hi-tech industry in an international environment will be a distinct advantage. Personal qualities should include strong communicative skills, strength of character and a genuine interest in computer technology.

Candidates capable of meeting these stringent requirements, should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v. quoting ref. 267, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

HOW HIGHLY DO YOU RATE YOURSELF?

ACCOUNTANTS — **neg to £20,000**

Our client is a major public company in the LEISURE INDUSTRY based in London with an annual turnover in excess of £1,000m. They have created a number of openings for QUALIFIED ACCOUNTANTS (ACA/ACCA/ACMA) in the age range 23-30. They will be rewarded according to personal excellence.

£20,000	+ ABILITY TO THINK CREATIVELY
£18,000	+ STRONG INITIAL IMPACT AND ABILITY TO LEAD
£17,000	+ PROACTIVE ABILITY TO SOLVING PROBLEMS
£16,000	+ ABILITY TO COMMUNICATE EFFECTIVELY AT ALL LEVELS
£15,000	SELF-MOTIVATED YOUNG ACCOUNTANT WITH PERSONALITY AND COMMERCIAL AWARENESS.

The successful candidates will be expected to operate in a demanding and COMPETITIVE business environment where PROMOTION is determined by PERFORMANCE. A relocation package is available in relevant circumstances.

Telephone and send c.v. with a note of how you rate yourself to:

George D. Maxwell, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct)
01-637 5277 ext 281/282

Accountancy Appointments Europe

FINANCIAL DIRECTORS-CONTROLLERS-ACCOUNTANTS

Although midsummer day has come and gone is the temperature rising in your company?

Are your accountancy sthaff overheated through pressure of work!

Let *Foremost* take the heat out of the situation by providing you with all levels of contract staff.

Although we are a national organisation we have a personal approach.

Wherever your company is located we can meet your requirements at short notice.

Contact: B. Fahy
Foremost Group (Actel Recruitment)
Weston House, 3/4 Weston Road, Hove, East Sussex BN3 1AE
Telephone: (0273) 728292

ACCOUNTANTS & LAWYERS, IT'S TIME TO JOIN FORCES.

Allcombes is a brand new two profession approach to commercial and insolvency-related work.

By combining legal and accountancy skills into one discipline, we aim to devise new and creative answers to improve the survival chances of companies in trouble.

We have positions for an accountant and a solicitor – both recently qualified – who would like to work closely with the other profession.

Although previous insolvency experience is useful, it is by no means essential.

This is a big opportunity for those who are adventurous in spirit and are able to be decisive under pressure. Initial salaries up to £15,000.

Please write with a full c.v. to partners Nigel Montgomery or Ipe Jacob at the address below.

ALLCOMBES
ACCOUNTANTS AND LAWYERS
11 WELL COURT, LONDON EC4M 9DN. TELEPHONE: 01-236 0570.

Accountancy Appointments

Financial Controller

Central London £22,000 + Car

Our client is a young, rapidly developing group of export companies, currently trading mainly into Africa. It now needs a Financial Controller who will take total responsibility for its financial and administration functions, and who will inject a creative financial discipline into its new structure. The position will report to the Group Managing Director.

Aged early 30s upwards and a qualified Chartered Accountant, the successful candidate will show close familiarity with the international money market, with *ECGD* procedures, and with export documentation generally. Experience will have included the control of a small accounts department and the development of sensitive, computerised, management information and control systems.

The appointee will have commercial awareness and the resilience, patience and humour necessary to work with an enthusiastic entrepreneur. There will be excellent opportunity to grow with and within the organisation, and other benefits will be individually negotiated.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, 8th Floor, Peter House, St. Peter's Square, Manchester M1 5BH, quoting reference M712.

Stoy Hayward Associates
MANAGEMENT CONSULTANTS
A member of Horwath & Horwath International

GROUP FINANCIAL CONTROLLER

GUILDFORD c.£25,000 + car

This new position provides an opportunity for an experienced accountant to join the small Head Office team of a rapidly expanding £100 million international group.

Reporting to a Group Director, the Group Financial Controller will be responsible for statutory and management accounting and the treasury function and will need to develop good working relationships with the financial directors in seven autonomous operating divisions.

Candidates should be Chartered Accountants around 40 years of age and good man managers with a proven ability to meet strict reporting deadlines. Their career should have included a period as the senior financial officer in an operating subsidiary as well as previous experience in the head office of a group with several overseas subsidiaries.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting reference 2294 to Brian Levy, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Group Accounting

E. London c.£20,000+car

We seek a qualified accountant, aged say 30-40, with a good grounding in practice and subsequent central staff experience in a major group, including *multi-currency* management and statutory consolidations. Later prospects could include line controllership.

Our client is a UK quoted *sophisticated manufacturing* group with a distinguished record. The new manager will co-ordinate all board reports, with a small staff and comprehensive computer support. This is a key role in group information and control and for group contribution to UK accounting policies and practice.

For full job description write in confidence to Mark Lockett at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting ref: 9100/FT. Both men *and women may apply.*

JC&P
John Courtis and Partners

Development Accounting Supervisor

London c£20,000

Our client, a rapidly expanding Oil Company operating in the U.K. North Sea, has identified a requirement for an Accounting Supervisor who will be part of the project team engaged in a new oil field development.

This challenging position has a dual reporting relationship to the U.K. Accounting Manager and the Project Services Manager. The prime responsibilities will be in respect of Budget preparation, cost monitoring and implementation of corporate procedures.

Aged between 26-35 you will be a qualified accountant, preferably an ACMA, with a strong background in project accounting, ideally gained in the oil or related industries combined with a forceful financial approach and good computer systems appreciation.

A generous salary and benefits package is offered including a non-contributory pension scheme and relocation expenses where appropriate.

Candidates should write to Don Day F.C.A., Executive Division, enclosing a C.V., quoting ref. 265 at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Singapore

Tax Manager

Up to £40,000 + substantial benefits

The city state of Singapore is one of the most exciting economies in the world's fastest growing region. It is playing a central role in the development of South East Asia and is demonstrating substantial growth in the banking, finance, high-tech and communications sectors.

Our client, one of Singapore's 'Big Four', is a major international firm of Chartered Accountants whose leading market position in the Far East is built on strong historical foundarions. They have a flourishing tax practice, now 60 strong, which provides comprehensive tax services and financial advice to clients ranging from major public companies to family owned businesses and wealthy individuals.

This important appointment is seen as a key factor in the rapid and continuing growth of the tax practice. For the successful applicant it will offer the prospects of increasing responsibilities as the practice develops. It should be seen as a challenging opportunity to gain high quality experience in a civilised and sophisticated environment. Responsibilities will include the provision of high level technical tax advice ro clients, managing and motivating staff and contributing to the overall development of the firm. Candidates should have had extensive experience in both taxation and management.

Singapore is acknowledged as an ideal base for exploring the Far East and an excellent locarion for families. The package allows for *substantial tax free savings* and will include a comprehensive range of benefits.

For further information or an informal discussion please contact Peter Morris on 01-405 0442 or write to The Taxation Division, Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.
Outside office hours contact 01-373 0229.
Strictest confidentiality assured.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Financial Controller/ Company Secretary

Welwyn Garden City £25,000 + car + bonus

Loctite UK Ltd is a subsidiary of the US corporation which leads the world market in specialist industrial and domestic high tech chemical products. The UK operation is profitable, experiencing growth, and seeks to appoint a highly professional executive to head the Finance function in Welwyn Garden City.

The successful applicant will report directly to the Managing Director and be responsible for the complete range of accounting and company secretarial duties, having a team of around 30 to assist.

This key role requires a commercial approach combined with a distinctive managerial style and would suit a Chartered Accountant who has a proven track record with a successful organisation engaged in manufacturing. A knowledge of tax and company secretarial law is essential but of paramount importance is the ability to integrate with fellow executives and to motivate a team to optimise resources and enhance company profits.

We seek an innovator with the independence and confidence to control the financial aspects of the business. The scope and potential within this organisation is excellent, in addition to the salary there is bonus potential of up to 25% of salary, a high quality car, private medical insurance and the usual benefits associated with a prestigious position.

Candidates should apply in confidence, enclosing full CV, to Barry A. Whitaker, Price Waterhouse, Executive Selection Division, 32 London Bridge Street, London SE1 9SY, and quoting reference MCS/5040.

Price Waterhouse
Business Needs Experts.

INTERNATIONAL RETAILING

Assistant Financial Controller

£17,000 + BONUS HANTS

ALLDERS INTERNATIONAL LIMITED, a subsidiary of Hanson Trust PLC, is one of the world's largest Duty Free retailers with an annual turnover of £200M, operating at airports and on board cruise liners around the world.

Rapid growth has led to the creation of this new position in the Finance Department which provides group accounting services to all our national and international outlets.

The Company relies heavily on financial disciplines, and this position encompasses all aspects of accounting, budgeting and capital controls in a demanding support role to the Financial Controller. The recent introduction of more advanced computer equipment will involve added responsibility for systems development and the improvement of financial modelling applications.

Candidates must be qualified accountants, with at least two years post qualifying experience, and be well versed in D.P. Systems. Previous involvement in retail accounting and exposure to foreign exchange would be ideal but more important is a high degree of self motivation, commercial awareness and communicative ability.

The salary will be £17,000, and additional benefits including profit related bonus and, where necessary, relocation expenses, enhance the attractive package. The position offers excellent career prospects with both Allders International and Hanson Trust.

If you are suitably qualified and experienced, please send a detailed curriculum vitae, including salary progression, in the first instance to:-
Miss J C Brookshaw, Training & Personnel Manager, Allders International Limited, Ocean House, West Quay Road, Southampton SO9 4DE.

Allders
INTERNAT

Financial Director

Engineering Leeds c. £22,000 + car

A substantial and profitable engineering company (turnover around £10 million) beadquartered in Leeds but with sales companies locaied in several European countries, is embarking upon a major capital investment programme and wishes to strengthen its management team through the appointment of an experienced *financial* director.

The position calls for a qualified accountant with first rate industrial experience gained at a senior level in a well managed engineering business. Key areas are computer-based manufacturing/contract cost control and financial management in an international context. The job will appeal to someone who still enjoys a 'sleeves up' role but who also has the broader skills and aptitude needed to perform effectively at board level.

An attractive remuneration package is offered to the person who can demonstrate the practical experience and personal qualities required.

If you feel you meet the requirements for the position please write in confidence to Mr. C. I. McBride, Peat, Marwick, Mitchell & Co., Executive Selection Division, City Square House, 7 Wellington Street, Leeds LS1 4DW, quoting reference number L/508.

PEAT MARWICK

Financial Controller

c. £17,000 plus car

Our client is a highly successful manufacturer in the West London area. As part of a development programme a vacancy exists at the divisional Head Office where control of all financial administration is monitored.

Reporting to the Financial Director you will have divisional responsibility for the consolidation of management accounts, forecasts and budgets. Additionally there is a direct responsibility for the accounts of the European operation and production of divisional financial reports to Board level. The position which involves travel within the UK and Western Europe also requires the co-ordination of foreign currency and cash management.

Applicants must be qualified accountants, aged 30-35, with *considerable practical experience* which includes the devalopment of management information systems and computer programmes.

Prospects for further advancement are excellent within the division and group for appli*cants with the right personality* and background.

Benefits include company car, contributory pension scheme, free life assurance and relocation assistance where appropriate.

Please write with full c.v. quoting reference FC/1 to Alison Miller at the address below. *List on a separate sheet those companies to which your application should not be forwarded.*

B&B
CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

Financial Controller

London c£20k + car

Our client is a profitable and rapidly expanding group of companies having a £15m turnover from diverse interests including manufacturing, retail and property investment. The group's activities are located in both the North and South of England and this appnintment is with those based in the London area.

Reporting In the Group M.D. ynu will be responsible fnr the accounting functions of a number of small/medium sized businesses, with emphasis on investment appraisal and project work in addition to lhe financial/management accounting procedures expected in a successful business.

Ideal candidates (male or female) will be 28 to 40 years of age with a relevant professional qualification and several years experience gained in a seninr finance post.

Knnwledge of the most up tn date accounting techniques is essential. The benefits package is very anractive and includes an executive car and family BUPA. Promotional prospects are excellent.

Please telephnne for an application *form* or *send a comprehensive c.v. to Roy* Sheppersnn at GTF Consulting Grnup Ltd., Gothic House, Barker Gate, Nottingham, NG1 1JU. Tel: 0602 505923. Ref: RS/Q06/85.

GTF Consulting Group Ltd.
Personnel Management Consultants

Forward-thinking Financial Manager

Attractive Package Gloucestershire

Our client is looking for an out-and-out professional with the potential to step up to financial director level.

Backed by one of Britain's largest engineering groups, the company, with a turnover of c. £5m, is a major name in the design and manufacture of capital goods with worldwide sales.

A member of the senior management team, reporting to the MD, the financial manager will provide up-to-date financial information and directly contribute to the overall running of the company. This will demand at least seven years experience of consolidated accountancy, gained within a manufacturing environment, backed by a professional accounting qualification (preferably ACMA). Past involvement with the secretarial function and the introduction of computer systems would be a decided advantage.

Salary is negotiable at around £15,000 and other substantial benefits include a company car, membership of BUPA and relocation expenses where necessary.

Please apply to Marc Woolmer by sending *a full cv* or by telephoning for a confidential conversation.
Marc Woolmer Recruitment,
45 Castle Street, Cirencester,
GLOS GL7 1QD.
Telephone:
Cirencester (0285) 69181.

Marc Woolmer
RECRUITMENT

هكذا وجد الأصل

Accountancy Appointments

Financial Director

Manufacturing **North of England**

Our cliant, e manufacturing company with a £multi-million turnover, requires a Finance Director to strengthan the Board. The role will include responsibility for all data processing as part of an integrated managament information system, end the appointee will be encouraged to participete in general commercial policy.

Candidates, aged over 30, should be qualified accountants with successful experience at senior level in menufacturing industry. Remuneration c.£20k, possibly higher; car and other benefits includa relocation assistance.

Please send CV in confidence or telephone 01-499 1948 (24 hour answering service) for a Personal History Form quoting reference W/908/7.

P-E Consulting Group,
Appointments Division, Foxglove House,
166 Piccadilly, London W1V 9DE.

The P-E Consulting Group

PE

Chief Accountant

Felixstowe c.£16-£18,000 + car

Our client, a subsidiary of a large and diverse Swedish group, operates regular North Sea traffic routes between England and Denmark and England and Sweden.

As a result of its recent incorporation as a UK company, coupled with an expansion in business, additional strength is required in the finance function. A Chief Accountant is sought who will assume responsibility for the accounts department in Felixstowe and will co-ordinate accounting activities for operations in 3 countries.

Qualified Accountants aged mid 20's — mid 30's, with a minimum of 2 years post qualification experience, including exposure to computerised systems, are invited to apply. The successful candidate will need to feel comfortable and be able to operate effectively within an 'open management' environment.

Please write in confidence enclosing career details and quoting ref: 5851/L to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

Accountant and Deputy Secretary

South London c£18,000 + car

Our client, a prestigious estate with a mix of property including shops, flats, houses, open spaces, roads, sports grounds and woodlands is seeking an Accountant and Deputy Secretary.

The principal responsibility of the position will be the control of the preparation of the estate's financial accounts and management information and the interpretation of this for the General Manager and Secretary, and the Estates Governors. The position, as part of the estete's management team, will also have considerable involvement in the administrative affairs of the estates office in support of the General Manager.

The successful epplicant will be a qualified eccountant or secretary who has experience in smaller organisations, preferably of a similar neture to the estate. Previous experience of introducing computer systems will also be advantageous.

In the first instance please write in complete confidence quoting reference number 2418 and submitting a curriculum vitee to:

Peter Childs,
Pannell Kerr Forster Associates,
New Garden House,
78 Hatton Garden,
London EC1N 8JA.

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

Financial Controller

Commodities/Futures Brokers and Dealers

City of London **c£25,000 package**

Our client is one of the world's major financial services groups with substantial interests in Europe and the Middle East.

A new position is being created with the UK based commodity and futures operation for a Controller who will act as the financial representative of the US parent. Working closely with the operations staff you will monitor the trading activity in the UK and throughout Europe and the Middle East. Responsibilities will also include the development of local management information systems to support the reporting requirements of the US parent.

Ideally aged 28-35 applicants must be qualified accountants with relevant experience of commodity broking gained either in commerce or the profession.

The terms are fully negotiable and the package could include a company car, mortgage subsidy etc.

Please write in confidence to:
John P. Sleigh FCCA
quoting ref: J/263/FF
enclosing a full CV.
A day time telephone number is, of course, essential.

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Merchant Banking

Accountants

£neg. + benefits

S. G. Warburg & Co. Ltd. is currently seeking young accountants, either ACA or ACMA, with at least one year's post qualification experience to join its finance function.

In your mid/late twenties, you should regard this as a strategic career move into the financial services sector. Your initial involvement will be in general accounting or internal audit.

These opportunities arise as the new Mercury International Group develops its financial structures and reporting systems as a vital step in the integration of its merchant banking and securities trading on an international scale from its base in the City. Successful applicants will enjoy the possibility of further career development, either within the finance function or in the operational areas of the group.

The generous negotiable salary will be supported by a very attractive bank benefits package.

Candidates should contact Barbara Taylor on 01-242 0965 at 31 Southampton Row, London WC1B 5HY, quoting ref. L2047.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney.
A member of the Addison Page PLC group

British TELECOM

FINANCIAL ACCOUNTANT

Central London **To £15,200**

Local Communication Services is the major division within British Telecom. The Headquarters function is responsible for the effective administration of a broad range of centralised operations including sales and marketing services, engineering development, training, and computerised systems development.

An opportunity has arisen within the Headquarters finance team for a qualified accountant to lead a team responsible for a computerised general ledger system, and the production of a monthly accounts package including comprehensive management reports. Operations are large scale, linking to a remote mainframe computer. Suitable candidates will be educated to degree level and are likely to have experience of a large organisation. Communications and interpersonal skills are important but it is essential that the job holder can work to tight deadlines whilst ensuring maximum attention to detail.

Career prospects are excellent both within Headquarters and the group as e whole.

Please apply directly to Peter Breen at Robert Half Personnel.

ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
LONDON BIRMINGHAM NEW YORK & 82 OTHER CITIES WORLDWIDE

FINANCE OPPORTUNITIES

Jaguar's return to private ownership is the real measure of the Company's success both in the UK and overseas where sales alone were up 17 per cent last year - a new export record.
We are building on this success and due to recent career development moves we are looking to fill the following roles within our Finance Department.

Dealer Finance Manager
(up to £14,000 per annum)

Your responsibilities will include assessing financial viability of the Dealer Network together with analysis of new franchise proposals. This role requires a high level of communication skills and the ability to work with all levels of management both within the company and the dealer network
The appointment will ideally suit a graduate qualified accountant with credit management experience preferably obtained within the motor industry.

Auditor
(up to £12,000 per annum)

Required to carry out a programme of internal audits covering a wide variety of the company's administrative, commercial and manufacturing activities. The scope of the work ranges from appraising internal controls and procedures to reviewing operational effectiveness of company activities. Ad hoc investigations can also be expected.
You must be a Chartered Accountant and preferably a graduate with approximately one years post qualification experience either in industry or with large manufacturing clients in a professional office. Ability to work on own initiative and liaise confidently with all levels of personnel within the company is essential.

In addition to the attractive salary, the package includes a lease car, bonus payment, pension scheme, discounted car purchase, free shares scheme and 25 days holiday.
The company is pleasantly situated within easy commuting distance of some of the finest countryside in the Midlands and relocation expenses will be covered where appropriate.
Please write in confidence giving full career details and current salary to:

Miss L.I. Morgan,
Co-ordinator, Organisation and Personnel Planning,
Jaguar Cars Limited,
Browns Lane,
Allesley,
Coventry CV5 9DR.
We are an equal opportunity employer.

JAGUAR

BARCLAYS BANK

Barclays Bank Chief Accountant's Department is located in modern offices in Poole, Dorset. The work of the Department is involved with financial and management accounting for the Barclays Group. The Department pleys a vital role in the development and co-ordination of the Group's accounting policies and practices. A vacancy has arisen for a

FINANCIAL ACCOUNTANT
c. £14,900 plus substantial benefits

The post is concerned with the preparation of Group management and financial reports, including those required to meet reporting obligations in the United States and certain others necessary for Bank of England supervisory purposes.

Candidates should be chartered accountants with post qualification experience of substantial consolidations gained at the head office of a large group or in e professional firm.

The position offers opportunities for career progression with the Barclays Group, attractive working conditions and substantial fringe benefits including a non-contributory pension scheme, a special house purchase scheme and the Bank's profit-sharing scheme. Assistance with relocation expenses is available if necessary.

Please send e comprehensive career resumé, including salary history to:

G. A. Mawer, C.A.,
Head of Group Accounting, Barclays Bank PLC,
Barclays House, 1 Wimborne Road, Poole, Dorset BH15 2BB.

BARCLAYS

FINANCIAL DIRECTOR

Expanding men's, ladies' and childrens' wear group supplying designer and bulk ranges within the U.K. and abroad, offers commercial and technical challenge to young Financial Director experienced in the clothing industry and capable of producing timely management information in a fast-moving environment.

Recognised accountancy qualification essential and degree preferred.

Salary negotiable. Car provided.

Please apply with detailed c.v. to Box A9051 Financial Times, 10 Cannon St., London EC4P 4BY

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Young Financial Controller Food Manufacture

South East London, £17,000 + Car

Our client, a leading American multi-natiooal, is ebout to embark on e heavy capital investment programme and also introduce sophisticated manufecturing control systems to this busy production site. The Controller will have full responsibility for the accounting and edministration functions and contribute to the general management of the organisation. Emphasis will be on the evaluation and enhancement of the standard costing systems and the effective management and motivation of staff during a period of substantial change. Candidates must be qualified and have experience at managerial level within an fmcg or process industry. Career prosopects are excellent.

E. Sutton, *Ref: 17284/FT*. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, *6th Floor, Sutherland House, 5/6 Argyll Street*, LONDON, *W1V 1AD*.

ap accountancy personnel

Placing Accountants First

RECENTLY QUALIFIED? MANAGEMENT POTENTIAL?

ICI ICI

NORTH OF ENGLAND **EXCELLENT SALARY PACKAGE**

Our client, ICI plc, offers excellent opportunities for ambitious qualified accountants to make e first positive step into one of the world's largest and most profitable manufacturing organisations.

The Petrochemicale end Plastics Division ie seeking a small number of exceptionelly eble peopla for its sites in the North of England. The successful candidetes will possess above-average technical and communication skills combined with a high degree of initietive, energy and enthuslasm. The positions offered ere on production works end are designed to identify end encouraga those with the necessary quelities to make rapid progress towerds sanior managerial status. During the next two years, the company will be introducing major new accounting systems, starting in this division; successful candidetes will therefore be involved in en exciting developmant.

The attractive salary package includes such benefits as relocation essistance, pension scheme, profit sharing scheme end sports end sociel facilities.

If you wish to know more about how you can contribute towards ICI's future success, and work towards yours, please contact Angela McDermottroe at the address below:-

TEL: 0532 438384
9 East Parade Leeds, LS1 2AL.

32 offices throughout the UK plus Australia and USA

Accountancy Appointments

Director of Finance

Manufacturing

Belfast

c. £30,000 + car & benefits

With a turnover now exceeding £12m, this leading PLC manufactures high quality clothes for some of the major retailers in this country. The Group, operating mainly through 5 factories in Northern Ireland, will soon benefit substantially from recent investment in modern technology.

Key responsibilities will be the financing of the Group's activities, monitoring operating units and, jointly with other board members, planning and implementing strategies for future development.

Candidates should be qualified accountants, preferably Chartered, with considerable experience of all aspects of financial management. Preferred age is around 35 to 45.

Personal qualities must include a high degree of commercial awareness and a determined but diplomatic approach.

Please reply to Stephen Ogle, in strict confidence, with details of age, career and salary progression, education and qualifications, quoting reference 1455/FT on both envelope and letter.

Deloitte Haskins+Sells

Management Consultancy Division
128 Queen Victoria Street, London EC4P 4JX

Progressive company seeks high-achiever with City background

FINANCIAL CONTROLLER

CITY **c£25,000 + car**

This career opportunity arises in an autonomous subsidiary of a major American insurance group. The company, which is expanding rapidly, is a leader in its field, noted for its progressive and innovative approach.

In addition to being responsible for *all financial and management accounting*, the Financial Controller will be involved in managing the firm's investments, developing the role of its actuarial staff and carrying out a wide range of special projects.

Candidates should be commercially minded Chartered Accountants in their early to mid-thirties whose personal qualities include confidence, common-sense and initiative. They must combine previous experience in a fast-moving, risk-taking City environment with a proven ability to get results.

Please send a comprehensive career resumé, including salary history and day-time telephone number, quoting reference 2295 to G J Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

JOINT VENTURE ACCOUNTANT

Making the most of our reserves

Since it was formed less than two years ago, Enterprise Oil has rapidly become one of the major companies involved in North Sea oil exploration. The Company has production from six North Sea oil and gas fields and is rapidly expanding its exploration acreage both in the UK and internationally. It gained eight licences in the recent UK ninth licensing round, including two as operator – its first offshore operatorships.
The Company enjoys a strong financial position with a healthy cash flow and a balance sheet free of long-term debt. It is committed to a policy of expansion and is actively and aggressively pursuing investment opportunities.
A vacancy has arisen for an able and imaginative accountant to work in this stimulating environment. This position is in the joint venture accounting group, reporting directly to the Head of Joint Venture Accounting. This group is concerned with all aspects of the accounting for and financial monitoring of the Company's non-operated exploration and production interests – including the preparation of management financial reports; the control and processing of operators' budgets, billings, AFE's and cash calls; representation of the Company at meetings with operators and partners; involvement with joint venture audits – and will also have growing involvement with the Company's new operated activities. This position offers participation in all these activities, including the development of new systems and procedures, a major review of which is presently in progress.
The successful candidate will be qualified (or nearly so) and of demonstrably high ability. Prior experience of upstream oil activities will be particularly helpful, as will a facility in the use of computer systems.
An attractive package of salary and benefits will be offered depending upon age and experience.

Enterprise Oil

Interested applicants should contact Charles Austin on 01-242 0965 at Michael Page Partnership, 31 Southampton Row, London *WC1B 5HY, quoting ref. 2049.*

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney
A member of the Addison Page PLC group

ACCOUNTANCY APPOINTMENTS

Rate £37.00 per Single Column Centimetre plus VAT

Commercial Director

Office Products

Central London

c £27,500 + Car

The office products and equipment market is one of the strong growth sectors in today's economic recovery and long-term prospects are excellent. But customers' needs are changing, competition is fiercer and only those companies which can respond to meet these new conditions will prosper.

Our client is already prominent in this market, with a turnover of £50 million and a network of largely autonomous branches and supporting warehouses throughout the U.K. They are now pushing ahead with their plans to enhance their market leadership and as a prime requirement wish to recruit a high calibre Commercial Director to organise and control the overall financial accounting, reporting and administrative functions carried out at the branches.

Applicants must be Qualified Accountants, aged 35-45, with several years' broad based experience at a senior level, ideally with a fast moving multiple retailing group.

The attractive remuneration package will fully reflect the importance of this position and there are excellent prospects for someone who can demonstrate the high degree of drive and commercial awareness needed for such a demanding business.

Please send concise details, including current salary and daytime telephone number, quoting reference 02003, to W.S. Gilliland, Executive Selection Division,

tb

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

A rare challenge to D.P./audit professionals

COMPUTER AUDITORS

London/Chatham Package to: £20,000+car

The Corporation of Lloyd's exists to provide a wide range of administrative and professional support services to the Lloyd's Market, the world's largest and most successful insurance organisation.

The Corporation has recently embarked upon the development of "high-tech" systems aimed at creating an "electronic market" guiding business processing from original risk inception through to the last claim.

An opportunity now exists for high calibre Computer Auditors to join us in this exciting and prestigeous environment based within the Internal Audit Department of the Finance Group in London and also in Chatham, Kent where our Administrative H.Q. is situated in e purpose-built complex overlooking tha River Medway.

You will be joining e professional audit team with responsibility for eudits and special investigations of computer installetions, computer systems and communications networks. The major area of involvement will be the review and monitoring of computer systems for security of access and control using ACF2 within a largely IBM environment using MVS, VM, SNA, IDMS, CICS, PL/1 and FOCUS.

You should have at least two years experience in computer audit, gained within aither a leading professional accountancy firm or the computer audit function of a commercial organisation. An accountancy qualification would be preferred es would systems programming experience. However, others with the relevant skills should not be deterred from applying. In addition to a high level of technical expertise you should offer excellent communication skills, manegement ability and e creative epproach.

These are career opportunities carrying competitive salaries and e first-class benefits package which includes: generous relocation assistance (whera appropriate), non-contributory pension scheme, free life assurance, annual bonus, heavily subsidised restaurant, and a choice of company car.

In this expanding and fast moving organisation prospects ere excellent if you have tha ability and drive to grasp them.

Please write with full C.V. to: John Eggleston, Senior Personnel Officer, Corporation of Lloyd's, Gun Wharf, Dock Road, Chatham, Kent, ME4 4TU.

LLOYD'S OF LONDON

Manager Group Accounts

Aged 26-32 £20,000-£25,000+car

Our client is a highly successful London based International Plc with sales in excess of £250m. Its dynamic style and high growth rate make it one of the most exciting companies in the country.

The Manager Group Accounts will be responsible for internal and external financial reporting, including the preparation and consolidation of group financial and management accounts, and the definition and maintenance of accounting procedures throughout the Group. A key member of the Group's small senior management team, he/she will be THE EXPERT on financial accounting in the Company, and must be totally familiar with all relevent accounting standards.

A Chartered Accountant with an excellent first degree is sought, who can demonstrate work of the highest quality. Candidates may still be in the profession, or have had some years relevant experience in commerce or industry. Given the dynamic and constantly changing nature of the Group, candidates must be not only accurate and systematic, but also extremely well organised to meet switching priorities. A robust and adaptable personality is essential.

This is a most important role in a high profile company. A very attractive package will be negotiated, and career opportunities in the Group are excellent. Please write in complete confidence, quoting ref 1604, to Ian Odgers who is advising on the position.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St. London W1X 3TD. 01-499 8811

DISTRICT TREASURER

LARGE TEACHING AUTHORITY

Salary: £21,522 – £24,615 (Increase pending)

Applicants must demonstrate an ability to manage a large department and have experience of a complex organisation.

The Authority provides a wide range of Hospital and community services and there is considerable Medical and Dental teaching and clinical research activity. The current revenue budget is £73m, and, *additionally, there is a substantial Endowment Fund managed by Special* Trustees. Over 7,000 staff are employed. Specific short-term objectives include development in the following areas: financial systems and procedures, the introduction of clinically based budgets, management information systems, and the more effective use of resources.

Applicants must be qualified accountants and have worked at a senior level in a public service organisation or in private sector, and have an interest in health care provision.

Further information – telephone T. M. Buckler, District Administrator, 021-472 2294, ext. 348. Application form and details *from District Personnel Officer, Central Birmingham Health* Authority, District Offices, Vincent Drive, Edgbaston, Birmingham B15 2TZ. Applicatons with full curriculum vitae to be returned not later than 18th July 1985.

Interviews will be held during early August, 1985.

Central
BIRMINGHAM HEALTH AUTHORITY

C. £20,000

Financial Controller Marine Insurance

Managemeot Accountant required for the Marine Division of a medium sized Lloyd's Brokers based in the City. Responsibilities will ioclude—Monthly Managemeot Reports/Funds Management and Credit Control of the division together with that of data processing systems aod control of staff.

Age preferably in 30s and previous insurance experience esseotial. An appropriate accounting qualification will be an advantage.

Please send your C.V. to:
Mr R. W. B. Morton,
Harris & Dixon (Insurance Brokers) Ltd.
21 New Street, Bishopsgate, London EC2M 4HH.

Finance and Administration Director

West Sussex ***up to £25,000+benefits***

Our client is the oewly acquired subsidiary of a US corporation, involved in the manufacture and marketing of capital goods. It is budgeted to employ 60 – 70 people with sales worth £5m in 1986.

They currently seek a Financial and Administrative Director whose role will be to develop and direct not only the financial management of the company, but also purchasing, administration and computing. In addition, as e member of the Board, the appointee will have a significant impact on strategy and corporate redevelopment.

Candidates, unlikely to be below 30 years of age, should be qualified accountants, experienced in industry at a senior level, probably for an international organisation. They will preferably have experience or knowledge of the other areas outlined above and the personality, drive, self-confidence and business acumen to play a major role in the organisation's future development.

A substantial benefits package is available subject to negotiation. Relocation assistance will be provided if necessary.

Candidates should apply in confidence, enclosing a full CV, an outline of their reasons for making the application and quoting reference MCS/9060, to Ashley Richardson, Executive Selection Divisioo, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse
Business Needs Experts.

Managing Consultant (Director Designate)

Glasgow based Negotiable salary + car

The Pannell Kerr Forster partnership in Scotland with offices in Aberdeen, Coatbridge, Edinburgh and Glasgow, is an activa and expanding part of an international firm of chartered accountants. With some 190 partners and staff the partnership offers a wide ranga of accounting, auditing and associated professional services to both large and small private and public companies.

The partnership now wishes to establish a management consultancy practice to broaden tha sarvices provided to clients particularly in the areas of corporate strategy advice and management information. The new eppointment of a Maneging Consultant with proven skills in these areas, and the ability to market and sell a range of consulting activitiee, is a key part of this development.

Tha successful applicant, aged 30–45, will be a qualified accountant who ideally has extensive consulting experience in a large firm at a senior level. The need to be an experianced manager and a self starter capable of producing positive solutions is paramount to achieving success and the career development opportunitias available.

In the first instance please write in complete confidence quoting reference number 6511 and submitting a curriculum vitae to:

Peter Childs,
Pannell Kerr Forster Associates,
New Garden House,
78 Hatton Garden,
London EC1N 8JA.

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

CHIEF ACCOUNTANT

NORTH-WEST LONDON SALARY NEGOTIABLE
CAR AND OTHER USUAL BENEFITS

A building services maintenance company, with potential high growth, requires a person with knowledge of computerised management accounting to take responsibility of all financial functions. Should be ACMA, ACCA or ACA and have at least three years' experience in industry.

Please write in confidence with c.v. to: Box A9061 Financial Times, 10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Operational Audit

Kent **to £20,000 + relocation**

An international group of companies in the pharmaceuticals and chemicals industry is seeking to enhance the effectiveness of its overall management structure in the UK and overseas.

As part of a highly motivated professional team, you will be responsible for carrying out independent reviews of varied activities throughout the group and reporting together with recommendations to senior line management both at local and group level. This will involve approximately 8-10 weeks' travel abroad a year.

A high profile role, this is an excellent opportunity to establish your commercial credability in an international environment before moving into a line management role within the group.

The successful candidate will be a graduate, qualified accountant with at least two years' P.Q.E., who has the confidence end ability to contribute to the group's management control.

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NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

The Financial Times has arranged with the Institute of Chartarcd Accountants to publish a list of those candidates who were successful in cha recent Part II examinations.

Wa propose co publish tha list In our issue of Thursday, September 2, which will also contain savarel pagas of advartisemants under the heading of "Newly Qualifiad Accountancy Appoincmants." Tha advertising rete will ba £37.00 par sinigle column cenclmetre. Special posicions are available by arrangement at premium rates of £44.00 per scc. Newly Qualifiad Accountants, especially Chartarad, are naver easy to recruit—don'c miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

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Please send a comprehensive career résumé, including salary history and day-time *telephone* number, *quoting ref: 2299/FT* to *G.J.Perkins*, Executive Selection Division.

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G. Soble, Ref: 29616/FT. Male or female candidates should telephone in confidence for a Personal History Form **061-832 3500**, *St. John's Court, 78 Gartside Street,* *MANCHESTER, M3 3EL.*

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If you believe you have the necessary experience and qualities, please send your written CV, in strictest confidence, to Neil Gillespie or Colin Vasey at our London office, quoting reference 5387.

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*BMRC/Businessman Readership Survey 1984.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday July 4 1985

Veba plans DM 18.8bn investment programme

BY RUPERT CORNWELL IN BONN

VEBA, the energy conglomerate which is West Germany's largest industrial group, yesterday reported a further growth in profits and sales for the first months of 1985, after record earnings and turnover in the previous year.

At the same time Herr Rudolf von Bennigsen-Foerder, Veba's chief executive, unveiled a DM 18.8bn ($6.18bn) investment programme for the next five years, and detailed a complicated internal reshuffle of holdings which will lead to a further dilution of the state's 30 per cent holding in the group.

In the first five months of 1985, according to Herr von Bennigsen, net sales climbed 3.4 per cent to DM 21.7bn, putting Veba firmly on course to exceed the full-year turnover of DM 49.6bn achieved in 1984. Earnings in the first quarter rose to DM 128m from DM 119m in the corresponding period of last year.

This suggests that Veba, which has controlling or significant shareholdings in 642 separate enterprises, could produce final figures better than the DM 697m profit registered for 1984. This will permit the group, as previously announced, to lift its dividend to DM 9 from DM 7.50.

Total capital and financial spending last year reached DM 2.6bn. But this will pale beside the programme scheduled to run between 1985 and 1989. Of the DM 18.8bn earmarked, 54 per cent will be devoted to Veba's electricity generating activities (including DM 2bn to clean up power stations in line with new anti-pollution rules), 25 per cent on its oil division and 11 per cent on chemicals.

Hüls, the chemicals subsidiary of the group, is now performing satisfactorily, Herr von Bennigsen reported, while for the first time in years, Veba's lossmaking oil refining business is currently showing a "slight profit." Another bright spot has been an improvement in the fortunes of Stinnes Industries of the U.S. a trading subsidiary of Veba, so that it is now operating at a profit.

The annual meeting next month is due to approve the full merger of two units of the group, Preussenelektra and Chemie-Verwaltungs into Veba itself. The transaction, which Herr von Bennigsen said would significantly strengthen the group's structure, will be paid for by cash and the issue of new Veba stock.

This second feature of the deal will entail an increase in Veba's total capital by DM 287m to DM 1.97bn. Since the state will not be subscribing to the new shares, its overall holding will drop to around 25 per cent from the present 30 per cent.

Herr Klaus Piltz, the Veba finance director, indicated that the healthy results of 1984 had enabled reserves to be strengthened by DM 319m, while capital and own resources had grown by DM 652m during the year to DM 9.25bn.

Hoechst in U.S. deal to secure supplies

By Our Frankfurt Staff

HOECHST, the West German chemical group, has completed a major deal in the U.S. with the purchase of a 74 per cent stake in Hercofina, a manufacturer of substances used in making polyester products.

It has bought the stake for an undisclosed price from Hercules of the U.S. in order to ensure supplies of raw materials for its growing North American operations. The deal was agreed in principle earlier this year and has now been finalised.

Hercofina, now being renamed Cape Industries, had sales revenue of $250m last year and employs 380 workers at a plant in Hanover, North Carolina. It remains 26 per cent owned by American Petrofina.

Hoechst, whose U.S. subsidiary had sales of $1.4bn last year, decided on the move to ensure raw materials for its production of polyester fibres, polyester film and plastic bottles in the U.S. But the plant will also continue to supply outside customers.

Among its recent expansion projects, Hoechst has been building up its capacity in the U.S. and West Germany to produce polyester film for use in packaging food, as well as for use as tapes for computers and audio-video equipment. It has invested about $60m in expanding polyester film capacity at its plant at Greer in South Carolina.

This plant, and another at Spartenburg, South Carolina, will draw raw materials from the newly acquired works.

West Germany's big three chemical companies – Hoechst, BASF and Bayer – have been intent on building up business in the U.S. in recent years.

BASF has announced three large acquisitions this year. It agreed to buy the Inmont motor vehicle coatings and printing ink concern for $1bn, has bought the carbon fibres and associated operations of Celanese Corporation for $135m and is planning to add to its fibres activities by acquiring American Enka

While BASF has been intent largely on buying market share and rounding out its product range, the relatively modest Hoechst deal involves "vertical integration" to acquire a stable source of raw materials

Daimler-Benz plans to build cars in China

BY JOHN DAVIES IN FRANKFURT

DAIMLER-BENZ, the West German prestige car maker, has its sights set on assembling cars in China for use by high-ranking officials and other prominent Chinese.

The company envisages the assembly in China of about 1,000 middle-range model Mercedes cars.

Daimler-Benz executives have been engaged in lengthy negotiations with the Chinese but have cautiously held back from announcing the project.

At the shareholders' meeting in Stuttgart yesterday, chief executive Professor Werner Breitschwerdt indicated that production of a limited number of cars was envisaged and might be increased in the future.

Under this plan, cars would be assembled from imported kits at Changchun where the Chinese have been turning out limousines and trucks.

Daimler-Benz has also been negotiating with the Chinese about the possible assembly of trucks in China. But the West Germans have been taking a patient, long-term view of their discussions with the Chinese on both cars and trucks.

Volkswagen, West Germany's biggest motor vehicle manufacturer, reached agreement with the Chinese last October to launch an ambitious joint venture to produce engines and cars in Shanghai: VW has been making small-scale deliveries of kits of Santana cars for assembly in Shanghai.

In its initial announcement of the joint venture last year, VW envisaged production of 20,000 Santanas a year in China from 1989. Engine production is due to build up to 100,000 a year, with about 80,000 being exported from China for use in VW works around the world.

Dividend hint as sales soar

DAIMLER-BENZ, the West German motor vehicle concern, has substantially increased its sales revenue so far this year and has renewed its hints of generous treatment of shareholders to mark the company's automobile centenary next year.

The company is bringing forward investment of more than DM 500m ($164m) to aid West Germany's struggling building industry and help shore up employment and economic growth.

Worldwide sales revenue reached about DM 25bn in the first half of this year, an increase of 24 per cent on the same period last year, chief executive Professor Werner Breitschwerdt told shareholders in Stuttgart yesterday.

To some extent the increase is exaggerated, as Daimler-Benz, like other car companies, was hit by the seven-week labour conflict over shorter working hours in the West German metal industry in May and June last year.

The takeover of the MTU aero-engine company, in which it previously had a 50 per cent stake, accounted for a 2 per cent increase in group sales.

Prof Breitschwerdt said that even discounting such factors there was a considerable increase in Daimler-Benz's business volume.

Although car assembly stopped during the labour dispute, Daimler-Benz increased its sales revenue by 6.8 per cent to DM 43.5bn last year. This year it has had a strong growth momentum, with sales revenue in the first four months up 16 per cent on the pre-stoppage period last year.

The company plans to turn out over 540,000 cars this year, after the labour troubles allowed only a marginal increase in output to 476,349 last year.

While the entire West German car market has suffered because of confusion over new car emission controls, Daimler-Benz's domestic orders in the first five months this year were more than double those a year ago.

Prof Breitschwerdt said it was clear that 1985 would be an exceptionally good year for Daimler-Benz's car business. Shareholders and employees could expect "suitable" recognition to mark its automobile centenary celebrations in 1986, he said.

Such hints have already been arousing speculation about a possible dividend bonus or a generous script issue, but executives have carefully avoided giving details.

Referring to the plight of the building industry, Prof Breitschwerdt said that Daimler-Benz had brought forward orders totalling more than DM 500m from its medium-term investment plans.

These building projects would be in addition to investment of more than DM 2bn already intended this year at its West German operations.

The move comes hard on the heels of the Bonn Government's decision to provide aid to stimulate the building industry, with an eye to boosting employment and shoring up economic growth.

Prof Breitschwerdt said that Daimler-Benz wanted to give a sign of the need to spur along investment and growth throughout the economy. He assured shareholders that the move was one of enlightened self-interest, as Daimler-Benz could be successful in the long run only in a healthy economic environment.

Although the truck market remained difficult, Prof Breitschwerdt said Daimler-Benz expected to produce about as many commercial vehicles in West Germany as last year

Phillips agrees to sell assets

By William Hall in New York

PHILLIPS PETROLEUM, the Oklahoma-based oil company at the centre of a bitter takeover battle earlier this year, has agreed to sell $140m of assets and says that it has received "strong interest" in the planned sale of another $800m of assets.

The asset sales, which were announced yesterday, are the first of several disposals that Phillips will make over the next few months as it works to reduce its heavy borrowing incurred in its successful bid to remain independent.

Phillips was forced to buy back half its shares for $4.5bn of debt and that has resulted in its becoming highly leveraged and vulnerable to higher interest rates and lower oil prices.

The company has earmarked $2bn of its assets for sale and says it expects to have sold $1bn by the end of the year. The move is the latest sign of Phillip's efforts to strengthen its balance sheet.

The company says that $53m of asset sales have already been completed including its interests in the Union Island gas field in California, the Mobile Bay field offshore from Alabama and the Acurex Corporation.

Renault launches domestic bond

RENAULT, the French car group which made a record net loss of FFr 12.6bn last year, is launching a FFr 1bn 12-year bond issue on the domestic capital market to help cover its financing needs.

The issue, being made through the state-owned company's Sofexi financing arm, has a coupon of 12 per cent and will be made at 98.8 per cent, lead manager Societé Générale said yesterday.

Fluor property sale to boost balance sheet

By Our Financial Staff

FLUOR, the worldwide engineering and energy services group, has completed the long-mooted sale and leaseback of its headquarters complex at Irvine, California, in a deal worth up to $340m. Fluor has previously said the net gain would be about $180m.

The property sale is part of Fluor's efforts to strengthen its balance sheet after several years of depressed demand for its engineering services

Bundesbank

YESTERDAY'S report that the Bundesbank is considering allowing banks to issue D-Mark certificates of deposit implied that bank deposits are not subject to minimum reserve requirements. It should have read: "One of the questions in West Germany is whether CDs should be subject to minimum reserve requirements, like more traditional forms of bank deposits."

Société Générale to counter Mutuelle bid

BY DAVID MARSH IN PARIS

SOCIÉTÉ Générale, the third largest French nationalised bank, has launched a bid to take over the French specialised credit bank, Banque Hypothecaire Européenne (BHE), in a deal being put together jointly with Midland Bank of the UK and the Assurances du Groupe de Paris insurance concern.

The bid, for all BHE's nominal share capital of FFr 115m ($12.4m) is on the basis of FFr 367.50 a share, placing a value on the bank of around FFr 420m.

The Société Générale offer extends an earlier effort to take over BHE and counters a rival bid made by the Mutuelle Assurance Artisinale de France (MAAF) insurance group.

The shares of BHE, which made a loss last year after provisions, have been suspended until further notice on the Paris bourse.

Société Générale appears set on buying the bank to extend its operations in construction finance, where BHE has built up strong expertise in residential and commercial property. To avoid BHE becoming part of the nationalised banking sector, Société Générale has declared that it is ready to limit its own stake in the bank to 45 per cent.

The outcome of the bid – pending a possible renewed counterbid by MAAF – could represent one of the most important domestic banking acquisitions by a nationalised bank over the past few years.

Midland Bank said in London that its French subsidiary's decision to bid for BHE was part of its "local strategy." Midland Bank SA was formerly a French property finance bank, and BHE's mortgage market is one it knows well, a spokesman said.

The bid does, however, run counter to Midland's current policy of divesting itself of partial interests in banks where it does not have management control.

INTERNATIONAL EUROBONDS

Resistance starts at coupons below 10%

BY MAGGIE URRY IN LONDON

EUROBOND investors are showing some resistance to the recent crop of Eurodollar issues with coupons below the 10 per cent level. Deals with a maturity of seven years or so with coupons under 10 per cent are offering yields close to those on U.S. Treasury bonds – while investors can find good quality paper offering a margin over Treasury yields.

Yesterday, Credit Suisse First Boston launched a $150m deal for Metropolitan Life Insurance, the second largest U.S. insurance company, which has a triple A rating, at a yield just below the Treasury yield curve. The seven-year issue has a 9⅝ per cent coupon and par issue price with total fees of 1⅞ per cent.

Traders said that the terms were too tight when issues for borrowers such as the European Community and the World Bank were offering yields higher than Treasuries. Despite Metropolitan Life's excellent credit, the name is little known in the Eurobond market and this is its first issue.

While the lead manager was quoting the issue at a price around the total fees, some traders reported offers of bonds at wider discounts.

The World Bank's $300m issue launched late on Tuesday night, which has a 10-year life, a 10⅛ per cent coupon and 99½ issue price, was trading yesterday within its 2 per cent fees.

BHF Bank bond average		
July 3		Previous
103.379		103.249
High	1985	Low
103.379		99.840

Otherwise the Eurodollar sector of the market was quiet ahead of the U.S. Independence Day holiday today.

Secondary market prices were slightly lower where changed but business was at a low level.

Nomura International set the final terms for Trio-Kenwood's $35m convertible issue as indicated with a 3¼ per cent coupon.

In the floating rate note market, a $150m issue for the Korea Exchange Bank was launched by Bank of Tokyo International (Hong Kong) and is expected to be sold largely in the Far East. The issue pays a coupon of ⅛ per cent above six-month London interbank offered rate and front end fees of 1⅛ per cent. It has a 10-year maturity.

Expected today is a $100m floater for Banque Arabe et Internationale D'Investissement, to be led by Banque Nationale de Paris.

Walt Disney made a dream come true for retail investors in the European currency unit bond market with a Ecu 80m issue. Goldman Sachs led the deal, this house's first book running exercise in the sector. The deal was very well received, showing that good household names are worth more than high credit ratings. The bond should be a single A credit but the borrower achieved finer terms than some other "better" borrowers.

The issue matures in 1995 but a sinking fund reduces the average life to eight years. The coupon was fixed at 9⅝ per cent and issue price at 100¼, with fees totalling 2 per cent. The bonds traded close to the issue price.

The Ecu sector has been brighter of late in any case, and Credit Commercial de France was able to set a par issue price for its Ecu 65m, 10-year deal. It traded comfortably within the 1¼ per cent selling concession.

In the Swiss franc foreign bond market, National Westminster Bank's SwFr 300m issue with equity warrants has sold well, and Handelsbank set the coupon at 4½ per cent and issue price at par compared with the indicated 4¾ per cent yield. The exercise price for the warrants was set at 747p per share, against a closing price yesterday of 673p and each SwFr 5,000 bond will carry a warrant to buy 200 shares.

Expected today are indicated terms for a SwFr 100m public issue for Hokkaido Electric Power and a SwFr 70m issue for British Petroleum.

UBS announced a SwFr 20m private placement for Kitano Construction. Terms are indicated at a 1¾ per cent yield for the convertible issue which will mature in 1990.

D-Mark bonds were up by ¼ point in places in the secondary market, with new issues meeting demand.

Yamaichi Securities fixed the terms for the World Bank's Y50bn Samurai issue at a 10-year maturity with no early repayments – the first bullet issue in this market. The coupon is 6.6 per cent and issue price 99½.

● Returns on Eurobond funds reported in yesterday's edition were based on performance in the first half of 1985 alone and not on an annualised basis.

International bond service, Page 21

Sallie Mae floats first syndicated Y10bn loan

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

THE STUDENT Loan Marketing Association (Sallie Mae) has launched the first yen syndicated loan in the Tokyo market by a U.S. government-sponsored agency.

It is raising Y10bn over five years through a deal led by Mitsui Bank alongside Dai-Ichi Mutual Life Insurance and Morgan Guaranty. The credit will bear interest fixed at the Japanese long-term prime rate, currently 7.5 per cent.

In what is expected to be another first for the yen market, banks are also now watching closely for a Euroyen floating rate note from Crédit Foncier de France, France's state house financing agency.

Yamaichi Securities is tipped to lead this Y15bn issue, although officials said yesterday that no mandate has been received. Market indications suggested a margin of ⅛ per cent over the mean of the bid and offered rates for Euroyen deposits in London (Limean), a 15-year life and fees of 20 basis points.

While these terms are similar to those Crédit Foncier would be expected to pay on a dollar issue, some Japanese bankers regard them as tight, given the additional costs of funding in the Euroyen market. There are also fears that a rapid development of the yen FRN market could undermine the more lucrative domestic yen syndicated loan sector.

EEC bond aids French loan refinancing plan

BY OUR EUROMARKETS CORRESPONDENT

A $350m Eurobond launched this week for the European Community will enable France to refinance at lower rates part of a $1.24bn loan raised two years ago as part of an Ecu 4bn package to shore up the franc.

France has already arranged to prepay $650m of the loan, raised in the EEC's name to pass on to France, and is negotiating to refinance the balance.

The initial interest rate on the seven-year loan was ⅜ points above three or six months London interbank offered rates (Libor).

The EEC said yesterday that the proceeds of its $350m 9⅝ per cent straight Eurobond would be swapped into floating rate dollars, giving an interest rate substantially below Libor.

The EEC moves have led to speculation in the syndicated loan market that France would also seek to refinance a $4bn loan raised directly from banks at about the same time. But bankers in Paris say that no formal talks have yet been held on the issue.

● Denmark has become the first borrower to redeem perpetual floating rate debt. It is calling in $600m of notes issued last August because it has exceeded its 1985 borrowing requirement by borrowing at cheaper rates.

INTERNATIONAL COMPANIES and FINANCE

Fuji Photo seeks stake in Dutch processor

By Our Financial Staff

FUJI PHOTO FILM, the Japanese photographic products group, is negotiating to buy a controlling stake in a Dutch film processing company from City Investing of the U.S.

Photofinishiog Holding International (PHI), based in Steenbergen in the Netherlands, is said to have about 35 per cent of the Dutch market for developing and printing and also serves Belgium, France and West Germany.

Fuji intends tn acquire a 70 per cent stake in PHI, for an amount as yat unagreed. The remainder would go to Borsumij Wehry, a Dutch trading bouse which has existing links with Fuji as an importer of its products. The company would be run on a joint venture basis.

The three parties involved all confirmed that talks were at an advanced stage. While City Investing said in New York that "it is still pramature" to say that an agreement bad been struck, Fuji in Tokyo described the proposed deal as being "close to a crucial point."

City Investing is in the process of shedding all its businesses as part of a liquidation plan agreed last December.

Taiwan to relax forex interest rate regulations

BY ROBERT KING IN TAIPEI

TAIWAN'S CENTRAL bank has agreed in principle to allow local banks to set their own interest rate ceilings on foreign exchange and foreign currency deposits in the country.

The move is generally seen in Taiwan as a further step towards liberalisatioo of the country's financial system. It will allow local interest rates on international currencies to reflect more realistically rates abroad aod will make local deposits of those currencies more appealing for depositors, according to Mr K. S. Liang, head of the Changhwa Commercial Bank.

The proposal to abolish the previous regulations, which required that the central bank authorities dictate maximum interest rates, came after discussions by bankers represeoted on a special committee to study ways of lmproving the banking climate.

"The reason for the proposal was to let our rates more closely reflect prevailing forex rates in the U.S.," Mr Liang said. "When the rate is 20 per cent in the U.S. and only 8.5 per cent here, it is unfair to the depositors."

The move, once the revised regulations are set in place by the central bank, should also sharpen competition among the banks for sharea of forex deposits. Already, most banks allowed to accept forex deposits have set their interest rates at the current maximum nf 8.5 per cent in an effort to attract larger deposits.

The relaxation would also encourage speculators in future movements of foreign currency to keep their deposits in Taiwan, rather than move them out to capitalise on upward movements in interest rates elsewhere, Mr Liang said.

AT & T to offer link network in Japan

By Our Financial Staff

AMERICAN Telephone and Telegraph (AT&T) of the U.S. said yesterday its entry into the Japanese telecommunications market, planned on a joint venture basis with as many as 16 local partners, would nffer a service connecting otherwise incompatible computer systems over a public network.

The venture, to be known as Japan ENS, will be based on AT&T's Enhance Network Services technology. It is to seek a licence to operate a value added network (VAN) following the deregulation in April of the country's telecommunications industry.

Detailing the planned service, AT&T said the Japan ENS would provide Japanese businesses with "the option of mixing and matching computing equipment from different vendors." Operations are due to begin later this year, and to be established fully by early 1986.

Its partners include Fujitsu and Hitachi, the country's two major computer makers, as well as the Industrial Bank nf Japan, Mitsui & Company, Nippon Life Insurance, and Sony.

AT&T said the full service would include interchanges which would allow Japanese businesses to exchange business information with each other, as well aa with their trading partners and subsidiaries in the U.S. and Europe.

The service would provide an intelligent link between companies and their customers for the collection and transmission of a variety of documents with a particular format, such as purchase orders, confirmations and delivery orders.

AT&T added that it would hring to the venture the network technology and the resonrces to design, engineer and operate the network.

Its Japanese partners would provide the resources for the management and operation of the service and would also be its major users. Enhancements to the current technology will include providing interfaces to Japanese computers, efficiently handling Japanese language requirements and providing software applications for specific Japanese industries.

Indonesia to buy 35% of Indocument

By Kieran Cooke in Jakarta

THE INDONESIAN Governmeot plans to take a 35 per cent stake in Indocement, the country's biggest cement company. An official statment said the share acquisition, whiah will cost an estimated U.S.$325m was made because cement "is a strategic commodity for national development."

Indocement and its associated companies have installed production capacity in excess of 8m tonnes annually, making it by far the biggest cement producer in Sooth-east Asia and one of the largest in the world.

Indocement is the fundation of the $7bn business empire of Mr Liem Side Liong, the Indonesian Chinese tycoon. Late last year the company announced that it planned to sell 30 per cent of its shares on Jakarta's fledgling stocks exchange in order to raise fonds.

This, however, did not come about—the Indonesian cement industry is currently plagued by overprodnction and falling prices, and market analysts saw this as an inopportune moment for Indocement to go public.

The government share purchase, seen as an attempt to inject fresh capital inte the Indocement group, is likely to increase criticism in Indonesia that the Government is becoming too closely involved with private, mainly Chinese, business groups.

Founder of OBU held as nominal bid is considered

BY MARY FRINGS IN BAHRAIN

THE FOUNDER of a Bahrain offshore banking unit (OBU) has been held in custody by the Bahraini authorities for the past nine weeks on allegations of an as yet unspecified nature.

According to Mr Isa Bokhawa, the public prosecutor, no case concerning Mr Hussein Najadi, the former chairman and chief executive of Arab Asian Bank, has yet to come to him for study.

Mr Najadi's arrest came after his resignation from the bank on April 11, and a takeover bid from a minority shareholder, Middle East Finance Group (MEFG), for a nominal $1.

MEFG is registered in Luxembourg and owned by the Bin Fahfouz and Kaaki families of Sandi Arabia, who also own the Jeddah-based National Commercial Bank.

MEFG representatives were present at an emergency shareholders' meeting called by the Bahrain Monetary Agency, in an apparent "lifeboat" operation. The bid was made subject to audit and accepted by the other shareboiders, which included Arah Malaysian Development Bank and Mr Najadi himself.

The exact distribution of ownership is not clear, since at least one substantial block of shares is reported recently to have changed hands. The 1984 accounts have also been delayed.

If the hid goes through MEFG will have acquired an OBU licence in Bahrain and deposit-taking licences in London (through C. E. Coates & Co) and in Hong Kong (through Arab Asian International) as well as an investment subsidiary in Switzerland.

Arah Asian's auditors are Price Waterhouse, which is also conducting the acquisition audit for MEFG. Some bankers believe its requirementa for loan provisions have been more stringent than those applied to loans of similar quality on the books of other local and offshore banks.

Arah Asian Bank was established in 1981 following the restructure of Arab Malaysian Development Bank's Bahrain OBU. In the 1983 accounts, which are the latest available, Arah Asian bad paid-up capital of US$37m. Reserves had been boosted from $11.8m to $33.2m by the transfer of the major portion of a $22m extraordinary profit on the sale of the bank's investment in Taiping Textiles, which had been acquired in exchange for shares in Arah Malaysian Development Bank.

The remaining $5m of extraordinary profit was transferred to loan loss provisions. The bank's capital base was further strengthened by $45m in floating rate certificates of deposit, of which $20m matured in April with the remainder due in October 1986.

Operating profit reported in 1983 was $5m, while the balance sheet showed assets, excluding contingency accounts, of $605m and loans and advances totalling $385m net of provisions.

Poor earnings performance of UAE banks underlined

BY ANGELA DIXON IN ABU DHABI

THE POOR earnings performance of the United Arab Emirates hanking system last year has again been underlined hy results from three medium-sized banks.

Of these, Commercial Bank of Dubai fared the best, managing to edge net profits up from $7.9m tn $8m.

This came amid management changes during the past year, which brought Mr Ahmed Humaid Al Tayer, Minister of Finance, as chairman, in addition to holding the same post at Union Bank of the Middle East. The Government of Dubai now has a controlling interest in Commercial Bank.

Net assets remained the same at $460m, and the bank proposed a dividend of $5.4m.

It made no declaration of loan provisions, the figure which everyone is watching this year. The UAE central bank requested hanks to elassify their loans for 1984 and to make adequate provisions for loan loss, but has not insisted that banks reveal the figure publicly.

The problem of bad debts has been highlighted recently by the negative capital positions which they have caused among certain UAE banks this year.

Another to report was Bank of Credit and Commerce (Emirates), formed in 1982 as a subsidiary of Bank of Credit and Commerce International (BCCI). It is chaired by Sheikh Nahyan Bin Mubarak Al Nahyan.

The bank declared profits of $6.7m against $8.5m in 1983. Assets were up from $835m to $1bn and a dividend of $9m was proposed.

It declared loan loss provisions for the year of $8m, up from $3.5m in 1983.

National Bank of Sharjah, in which Sharjah's ruling family owns 28 per cent, showed steeply reduced profit figures for the year—$8.3m against $16m in 1983. Assets rose, however from $723m to $920m.

Loan loss provisions of £6.5m were made, compared with $1.4m in 1983. In common with many other UAE banks this year, National Bank of Sharjah decided not to distribute a dividend for 1984.

INTL. COMPANIES and FINANCE

Amax to omit payout as losses continue

By William Hall in New York

AMAX, the biggest U.S. mining company, has passed its quarterly dividend in a bid to conserve cash after 3½ years of heavy losses totalling over $1.2bn.

In a brief statement from its headquarters in Greenwich, Connecticut, Amax said that its board had voted to omit the five cents quarterly dividend. The company, paying an annual dividend of $2.40 per share three years ago, cut its dividend twice in 1982 when the world mining recession first began to hit its operations.

However, the decision to completely omit its dividend is a sign of the serious financial problems facing most of the leading U.S. mining companies. Phelps Dodge, the second biggest U.S. copper producer, passed its dividend in 1982 and there is considerable speculation that other major U.S. mining companies may be forced to follow.

Amax, which last year lost $238.2m on sales of $2.4bn, said that its action "resulted from the continued unsatisfactory state of world metals prices and demands."

The company said that its aluminium, energy and iron operations were profitable currently but the metals business was losing money and was the reason for the dividend cut.

The scale of the downturn in Amax's fortunes can be gauged from the fact that only four years ago it received a $78.50 per share offer from Chevron. Today, the company is valued at less than $1bn on the stock market.

Icahn woos unions to counter Texas Air bid for TWA

BY TERRY DODSWORTH IN NEW YORK

MR CARL ICAHN, the Wall Street investor, said yesterday that he was aiming to bring two other unions, the machinists and flight attendants, into the pact he has already signed with the airline pilots to make a renewed takeover attempt on Trans World Airlines (TWA).

The deal between the pilots and Mr Icahn, who already owns 33 per cent of the company, was described by merger lawyers as the first of its kind.

Under the terms of the contract, Mr Icahn has entered into a formal agreement to "use his best efforts to acquire control of TWA" and to hand 20 per cent of the equity over to the members of the pilots' union Alpa. In return, the pilots have agreed to grant pay and benefit reductions of up to 20 per cent to the end of December 1988.

Mr Icahn, who has made a name as a daring and ruthless investor in takeover situations, was the target of vituperative attacks from the unions during his abortive bid for TWA only three weeks ago.

Since then, however, the pilots appear to have come to the conclusion that he would be preferable as an owner of the company to Mr Frank Lorenzo, the chairman of Texas Air, which bid for TWA three weeks ago.

Mr Lorenzo is known in the airline industry as a determined cost-cutter, who halved salaries at Continental Airlines when he took the company over in late 1983.

In a brief explanation of the pilots' motives, Mr Henry Duffy, president of Alpa, said the union believed the accord with Mr Icahn would enable them "to acquire control of TWA on terms much more attractive to employees and shareholders than in the previously announced acquisition plan."

He added that the TWA machinist and flight attendant unions might also join in the takeover consortium.

Mr Icahn is believed to have been attracted to the transaction because the concessions to be made by the pilots, and possibly by the other unions, would make TWA "economically more valuable," as an associate put it.

Precise details of the takeover proposal were not released last night, but sources close to Alpa indicated that Mr Icahn would have wide latitude in pursuing the offer. That might involve reopening contact with the TWA board over a superior bid to the Texas Air offer, which is valued at $23 a share – $19 cash and $4 in preferred stock.

An alternative tactic would be for Mr Icahn and his associates simply to acquire TWA stock in the open market without triggering any of the mechanisms that would require him to make a full, formal tender offer to all shareholders.

The terms of the contract would require Mr Icahn to lodge 20 per cent of the TWA equity in an employee stock ownership plan if the transaction were successfully completed, and to share 20 per cent of profits. Certain restrictions apply to the sale of his own holdings.

TWA shares eased yesterday morning to $19¼, down $1.8.

Akzo buys Warner Lambert subsidiary

By Our Financial Staff

AKZO, the Dutch fibres and chemicals group, has acquired the diagnostics division of Warner Lambert, the U.S. health care company.

Warner Lambert's diagnostic subsidiary, which includes the nuclear medical laboratories in Irving, Texas, has annual turnover of about $100m.

The transaction does not include Warner Lambert's over-the-counter diagnostics products business. The operations being acquired by Akzo cover a broad line of diagnostic reagents, controls, disposables and instrumentation for hospital and clinical laboratory markets.

Overseas operations are primarily sales and marketing organisations in Canada, France, West Germany, Italy and Japan.

The deal is seen as part of Akzo's programme of shifting its business base away from textile fibres and heavy chemicals. Last month Akzo announced the sale of its U.S. fibres operations to BASF of West Germany.

At the same time, the purchase is not likely to herald the end of Akzo's research for a "suitable U.S. acquisition." The deal is modest in group terms, with $100m of acquired annual sales comparing with $1.3bn for Akzo in the first quarter of 1985.

Brittany buys Truckline's Channel route

By Christopher Parkes

BRITTANY FERRIES, the aggressive French-owned ferry company, yesterday raised its challenge to British supremacy in cross-Channel shipping with the purchase of Truckline Ferries.

Truckline, also French, operates a roll-on roll-off freight service between Poole in Dorset and Cherbourg.

The company said the acquisition of Truckline's two 2,700 tonne ships and facilities would make it the leading freight operator in the central and western parts of the Channel. The price was not disclosed.

One immediate result will be the introduction of a new freight link between Portsmouth and Cherbourg to augment existing Truckline services.

Brittany currently operates a fleet of five passenger and RoRo ships and one specialist freighter. It recently announced plans to buy the 9,350 tonne Prinses Beatrix to inaugurate its new link between Britain and Caen on the River Orne next June.

The company also has a 27 per cent stake in Channel Island Ferries, running between Portsmouth and Guernsey and Jersey.

Solvay raises plastics output

By Our Financial Staff

SOLVAY, the Belgian chemical group, is to increase production of monomers and polymers at a new plant under construction in France. The plant, which will go into production in October 1986, is being built at Tavaux in the Jura mountains.

The increase will raise production of the chemical VF2 from 1,500 tonnes a year to 5,000 tonnes and that of PVDE (homopolymers and copolymers of VF2) from 1,500 tonnes a year to 2,300 tonnes. Solvay said the investment was in response to growing demand and would consolidate its position in the plastics market.

Emhart buys Arcotronics

By Our Financial Staff

EMHART of the U.S. has acquired Arcotronics Group, a leading European producer of capacitors, from Wedge International Holdings BV, for around $61m–$53m in cash and $8m in assumed debt.

Arcotronics has manufacturing facilities in the UK, the U.S., West Germany and Italy. Emhart makes machinery for the shoe, packaging and other industries.

The purchase is part of a long-range plan to build its worldwide capability for its electrical/electronic line.

Volvo buys distributor

By David Brown in Stockholm

VOLVO, the Swedish automotive and diversified industrial group, has bought its Dutch truck and bus distributor in a deal worth about SKr 40m ($4.56m).

The company, Nebim Bedrijfswagens, has six distribution outlets in the Netherlands and employs 400 people. It has annual sales of about 2,000 heavy vehicles.

Volvo has a 19 per cent share of the Dutch market for heavy trucks.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for July 3.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅞ 90	100	101⅞	102⅜	+0⅛	+1	10.28
Amex Credit 12⅜ 88	150	106⅞	107⅜	0	+1¼	9.93
Bank of Tokyo 13⅛ 91	100	113½	114	−0⅛	+1¼	10.42
BP Capital 11⅛ 92	150	102⅛	102⅝	0	+0⅞	10.58
Caisse Nat Tele 13¾ 91	100	113¾	114¼	0	+1¼	10.47
Canada 11½ 90	500	105⅝	106⅛	0	+1	9.85
Canadian Pac 10¾ 93	100	101⅞	102⅜	0	−0⅛	10.34
Canadian Pac 12½ 99	75	108⅝	109⅛	+0⅛	+1⅜	11.21
CBS Inc 11½ 92	100	102⅝	103⅛	+0½	+1¾	10.77
Chevron U.S.A. 12¼ 89	600	104⅞	105⅜	−0⅛	+1⅛	10.66
Citicorp 11½ 95	150	101⅜	101⅞	0	+1½	11.22
Coca Cola 11¾ 91	100	102½	103	0	+0⅝	10.22
Denmark Kingdom 11¼ 88	100	103¼	103¾	−0⅛	+1⅞	10.08
Denmark Kingdom 11½ 90	100	104⅝	105⅛	0	+3	10.16
Denmark Kingdom 11½ 92	100	103⅝	104⅛	0	+2⅛	10.64
Denmark Kingdom 13¼ 91	100	111½	112	−0⅛	+1⅜	10.55
Denmark Kingdom 14 91	100	110¾	111¼	+0⅛	+1⅞	11.35
E.E.C. 11⅛ 90	100	103⅛	103⅝	0	+1¼	10.13
E.I.B. 12 95	200	107½	108	−0⅛	+1⅜	10.67
E.I.B. 13 95	200	111⅞	112⅜	−0⅛	+2⅜	11.15
Export Dev Corp 12 89	100	106⅜	106⅞	−0⅛	+1¼	10.09
Ford Motor Cred 11⅜ 90	100	102⅝	103⅛	0	+1⅛	10.52
Ford Motor Cred 11⅝ 95	100	102⅜	102⅞	0	+1½	11.14
Ford Motor Cred 11¾ 92	100	102⅞	103⅜	0	+0⅝	11.06
Ford Motor Cred 12 95	100	105⅝	106⅛	−0⅛	+1	10.96
Gen Elec Credit 10¼ 00	200	100½	101	0	+1⅛	10.14
GMAC 10¼ 89	200	100¾	101¼	0	+1½	9.92
IBM Credit 10⅜ 2000	300	101⅜	101⅞	0	+1⅝	10.10
Indust Bk Japan 12¾ 89	100	109⅛	109⅝	0	+1½	10.03
Japan Air Lines 13⅜ 94	100	119¾	120¼	+0⅝	+3	9.92
Kellogg Company 10⅞ 00	100	102⅜	102⅞	+0⅛	+1½	10.96
Kellogg Company 11¼ 92	100	104⅜	104⅞	0	+2⅛	10.22
L.T.C.B. 12⅞ 91	100	109⅜	109⅞	−0¼	+0¾	10.67
Macy Cred Corp 11¾ 95	100	104¾	105¼	0	+1½	10.86
Mellon Bank 13 87	100	105⅝	106⅛	−0⅝	+0¼	9.61
Merrill Lynch 12¾ 89	100	105½	106	0	+0⅝	10.95
Minnesota 11½ 87	100	103⅝	102⅞	0	+0⅜	9.60
Mitsui Trust 11⅝ 90	100	102¼	102¾	−0⅛	+0¾	10.68
Morgan Guaranty 12⅜ 89	150	106½	107	0	+1	10.31
Nippon Cred Bk 13⅞ 89	100	110⅞	111⅜	+0⅞	+0⅞	10.35
Nth America 12¾ 91	100	† 102¼	102¾	0	+1⅜	11.56
Penney J.C. 12⅞ 91	100	103¾	104¼	−0½	+0⅛	10.88
Pru Realty secs 12⅛ 95	546	106⅝	107⅛	+0⅞	+0⅞	10.90
Quebec Hydro 11½ 92	100	104⅞	105⅜	+0⅛	+0⅞	10.44
Ralston Purina 11¾ 95	150	105⅜	105⅞	+0⅛	+1¾	10.78
Ralston Purina 12¾ 89	100	107⅝	108⅛	0	+0⅝	10.34
Royal Bk Can 12¾ 92 XW	100	102¼	103	+0⅞	+1	12.11
Saskatchewan 10 3/4 92	100	101⅜	101⅞	−0⅛	+1⅜	10.37
Saskatchewan 11 7/8 89	100	106⅝	107⅛	+0¼	+1⅝	9.83
Statoil 13½ 89	100	111¼	111¾	0	+1¼	9.91
S Wales Trsy 11¾ 90	150	105¼	105¾	0	+1½	10.23
Swed Exp Cred 10 92	100	97½	98	0	+1⅜	10.47
Swed Exp Cred 12⅜ 89XW	100	107½	108	−0⅛	+1⅜	10.35
Sweden Kingdom 10⅞ 90	200	102½	103	0	+1⅞	10.12
Sweden Kingdom 11½ 89	200	104⅝	105⅛	−0⅛	+1½	10.05
Sweden Kingdom 11¾ 94	100	106¾	107¼	0	+1⅞	10.52
Texaco Capital 12¾ 87	300	105⅞	106⅜	0	+1	9.58
Tokai Asia 11½ 95	100	103¾	104¼	−0⅜	+1¾	10.81
Victorian Rep 11⅝ 92	150	104⅝	105⅛	−0⅛	+1	10.57
World Bank 12¼ 94	150	110⅛	110⅝	−0⅞	+2⅛	10.44
World Bank 12⅞ 94	200	112¾	113¼	−0⅜	+1⅞	10.58

Average price change On day 0 on week +1⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	103⅝	104⅛	−0⅛	+0½	7.38
Austria Republic 7⅝ 94	200	103	103¾	−0⅜	+0⅛	7.08
Baxter Travenol 7¼ 94	200	101⅛	101⅞	−0⅛	−0⅛	7.00
Credit National 8⅛ 94	200	104⅜	105⅛	0	−0⅛	7.35
Degussa Int Fin 7½ 94	100	102⅞	103⅝	+0⅛	−1	6.97
E.E.C. 8 02	200	104	104¾	+0⅛	+0⅛	7.18
E.I.B. 7¼ 94	300	100¼	100¾	−0⅛	+0⅝	7.17
Escom 8 92	150	99½	100¼	+0⅜	−0½	8.01
Ferrovie Dello Stato 8 91	100	102¾	103½	−0⅛	−0½	7.30
Finland Republic 7 92	200	99⅛	99⅞	0	+0½	7.09
Gould Int Fin 7⅝ 91	100	102⅞	103⅝	0	−0⅛	6.93
Ireland 8⅛ 92	150	103⅝	104⅜	+0½	+1¼	7.36
Japan Fin Corp 7⅝ 91	100	102¾	103¼	−0⅛	−0⅛	6.99
Mitsubishi Hwy 3½ 89WW	300	120⅝	121⅞	−0¼	−0¼	−1.82
Mitsubishi Hwy 3½ 89XW	300	90⅞	91⅝	+0½	+0⅞	6.18
Mitsubishi Met 3⅛ 89WW	100	100⅝	101⅝	+0⅛	+0⅝	2.86
Mitsubishi Met 3⅛ 89XW	100	87⅝	88⅜	+1⅛	+1¼	6.28
Pepsico O/S Fin 7¼ 94	250	103⅝	104⅜	0	+0⅛	6.62
Renfe 7⅞ 95	100	100¾	101¼	+0¼	+0¾	7.68
Renown 3⅜ 90	80	104¼	105¼	+0⅜	+0¾	2.11
Reynolds O/S Fin 7⅝ 94	125	102¾	103½	0	+0⅛	6.99
Societe Cent Nuclear 8 91	100	104⅜	105⅛	0	+0¼	7.00
Sth African Tran 7⅝ 92	100	96¼	97*	0	+0⅛	8.24
World Bank 7¾ 88	100	102	102¾	0	−0⅛	6.86
World Bank 8 94	200	105⅝	106⅜	0	+0¾	7.04

Average price change On day 0 on week +0½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev Bk 6¼ 94	100	† 101¼	101½	−0½	−0¼	6.05
Avon Cap Corp 5⅜ 94	130	† 98¾	99	−0¼	+0⅝	5.53
Brit Land Comp 6½ 89	75	† 103¾	104	+1	+1	6.08
Council of Europe 6 92	120	† 101½	101¾	0	+0⅞	5.72
Creditanstalt 5½ 94	100	† 98	98¼	+1	+0¾	5.76
Deutsche Bk Fin 5⅜ 95	100	† 100¾	101	−0¼	0	5.25
E.I.B. 5⅛ 94	120	† 100½	101	−0⅛	−0⅜	5.78
Export Dev Corp 5⅜ 92	125	† 100	100¼	−0¼	−0¼	5.35
Gen Occidentale 4½ 94	90	† 102¼	102½	−0⅜	+0¼	4.19
I C Industries 5⅝ 94	125	† 100¼	100½	+1	0	5.57
Ind Fund Fin 5¾ 84	40	† 100½	100¾	+0¼	+0½	5.68
Int–Am Dev Bk 6¼ 94	120	† 101	101½	+0⅜	+0⅜	5.94
N.Zealand steel 5¾ 96	70	† 98¾	99	0	0	5.86
Oberos Kiwis 5⅞ 95	100	† 98½	98¾	−0¼	0	5.58
Ralston Purina 5⅜ 94	125	† 100	100¼	0	+0¼	5.35
Santos Finance Ltd 6 94	130	† 98¾	99	+0¼	0	6.18
Tokyo Elec Pwr 5½ 93	120	† 99½	99¾	0	−0½	5.56
Tokyo Metropolis 5¼ 94	80	† 98½	98¾	−0⅛	0	5.44
World Bk 5¾ 94	190	† 100	100½	−0⅜	−0⅜	5.71

Average price change On day 0 on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Austria Republic 7 95	30	100	100½	0	+0½	6.96
BP Overseas 7 92	17	100½	101	0	+0¼	6.85
Finland Republic 6¾ 90	15	99½	100	0	+0¼	6.89
Mort Bk Denmark 7 92	10	99¾	100¼	0	0	7.00
World Bank 6⅝ 00	25	99½	100	0	+0¼	6.68

Average price change On day 0 on week +0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 13¼ 90 $A	40	102½	103	0	−0⅝	12.38
Avco Fin 14 90 $A	35	102⅛	103⅛	+0¼	+1½	13.24
BT Aust. 13¾ 92 $A	40	102⅛	103⅛	0	−0¾	13.01
Westpac 13½ 88 $A	50	103⅝	104⅝	+0⅝	+1⅞	11.73
British Columbia 12 90 C$	125	† 103⅞	104⅜	−0⅛	+1¼	10.82
Can Nat Rail 12½ 95 C$	100	† 105¾	106¼	0	+1	11.43
Chrysler Cred 12⅝ 93C$	60	† 103⅞	104⅜	+0¼	+1⅜	11.71
Desjardins 12½ 90 C$	50	† 102⅛	102⅝	0	+0½	11.54
Genstar Fin 11¾ 95 C$	75	97¼	97¾	0	−0⅛	12.18
New Brunswick 11⅝ 95C$	75	† 101¾	102¼	+0½	+2⅛	11.27
Shell Canada 11¼ 92 C$	75	101¼	101¾	0	+0¼	10.93
Nordic Inv Bk 16 90 NS	50	99⅞	100⅞	+0⅛	−0⅛	15.83
NZ Forest 15¾ 92 NS	30	96¼	97¼	0	0	16.45
Woolworth 16¼ 91 NS	25	100	101	−0½	−1¾	16.04
N.Z Govt. 9¼ 90 ECU	100	100½	101	+0⅜	+1	9.05
N.Z Govt. 9½ 92 ECU	100	101½	102¼	+1¼	+1¾	9.12
Rabobank 9⅝ 95 ECU	75	104	104½	+0⅜	+1	8.95
Eurofima 7½ 92 FL	50	101⅜	101⅞	0	+0⅜	7.18
Philips Lamps 7½ 90 FL	100	101½	102	−0⅛	+0¼	7.05
Rank Xerox 8 90 FL	100	103¾	104¼	+0¼	+1	6.99
Van Lanschot 7½ 90FL	50	101½	102	+0⅛	+0¾	7.07
World Bank 7½ 90 FL	150	101¾	102¼	0	+1	6.99
Gaz de France 11¼ 00FF	500	99¾	100¼	−0⅛	0	11.24
American Brands 12 95 £	40	104	104½	0	+0¼	11.22
Amer Express 11⅜ 92 £	30	102⅜	104⅛	0	+0⅜	10.52
Australia Comm 11 92 £	40	98½	99	0	+0⅛	11.25
BP Capital 10¾ 92 £	50	98¼	98¾	0	+0½	11.04
E.I.B. 11⅛ 93 £	50	100½	101	−0⅛	+0⅛	10.86
Inco 12¾ 02 £	50	102¾	103¼	−0¼	0	12.06
Mcdonalds 10⅞ 90 £	40	98⅞	99⅜	−0⅛	0	11.09
Norsk Hydro 11⅝ 91 £	50	101¾	102¼	+0⅛	0	11.10
Privatbanken 11⅝ 92 £	20	100⅛	100⅝	−0⅛	0	11.77
Rank Xerox 11 02 £	40	99¾	100¼	0	0	11.20
Royal Trustco 11⅞ 90 £	30	103	103½	0	+0¼	11.27
Ster Drug Cap 10¾ 90 £	30	99⅜	99⅞	−0⅛	+0⅛	11.23
Swed Exp Cred 11⅜ 92 £	50	100½	101	0	+0⅛	11.16
Trusthouse Forte 11⅛ 90£	50	97⅞	98⅜	−0⅛	+0⅛	11.63
World Bank 11⅛ 02 £	100	101½	102	+0⅛	+0¼	10.94
E.C.S.C. 10½ 94LF	100	106⅛	106⅝	0	+0⅜	8.54
Nat Lux Alum 10½ 92 LF	600	105⅝	106⅛	0	+0¼	8.28

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
B.B.L. Intl 5 99	0⅛	100⅜	100⅝	11/10	9⅝	9.58
Banco di Roma 5¼ 92	0	99⅜	99⅝	24/6	7.98	8.02
BankAmerica O/S 5¼ 96	0⅛	99⅞	100⅛	28/5	8.81	8.81
Bank of Montreal 5 96	0⅛	100½	100¾	29/7	8¾	8.70
Bankers Trust 5 2000	0	98½	98¾	11/6	9.81	9.85
Bankers Trust 5¼ 96	0¼	100⅛	100⅜	13/8	8.56	8.54
B.F.C.E. 5¼ 98	0⅛	100⅜	100⅝	13/8	10.06	10.01
B.N.P. 5¼ 95 (July)	0¼	100	100¼	22/7	9⅛	9.11
C.C.F. 5¼ 97	0	99⅝	99⅞	22/8	10⅜	10.65
Chase Man In 5¼ 2009	0¼	99⅞	100⅛	5/6	9.69	9.69
Citicorp O/S 5¼ 96 Sep	0⅛	99¾	100	19/12	11.19	11.20
Credit Lyonnais 5¼ 98	0⅛	100⅝	100⅞	11/10	9.69	9.62
Dresdner Fin 5¼ 89	0	99⅞	100⅛	25/5	9⅜	9.38
Ireland 5⅛ 97	0	100¼	100½	28/10	9.69	9.63
Ireland 5¼ 99	0	100½	100¾	14/8	10	9.94
Italy, Republic 5 94	0⅛	100⅛	100⅜	12/11	8⅞	8.85
Lloyds Euro 5 2004	0¼	100⅛	100⅜	18/10	9⅛	9.10
Midland Bank Perp 5	0⅛	98½	98¾	19/6	5	5.02
Nat West Perp 5	0⅜	100⅞	101⅛	13/11	8⅛	8.03
Nat West Perp A 5¼ S	0⅛	99¼	99½	9/7	5¼	5.29
Nat West Perp B 5¼ S	0¼	99⅛	99⅜	9/8	5¼	5.29
Queensland Coal 5⅛ 02	0¼	100½	100¾	12/11	9	8.94
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	2/8	12.81	12.91
Sweden Perp 5¼	0⅛	100⅛	100⅜	9/7	9.44	9.41
Tokai 5¼ 99	0¼	100⅜	100⅝	12/6	9.94	9.89

Average price change On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	98⅜	99⅜	−0½	−0.89
Fanuc 3¾ 98	1/84	7032.3	146⅝	147⅞	−0⅛	35.42
Fujitsu 3 99	5/84	1320.9	94⅛	95⅛	+0⅛	19.33
Kumagai Gumi 3½ 2000	3/85	600	117⅛	118⅛	−0¾	7.46
Marui 3½ 99	7/84	1162	101⅞	102⅞	+1⅛	2.70
Mitsubishi Elec 2¾ 00	3/85	422	95⅝	96⅝	+0⅜	8.43
Murata 3½ 99	2/84	2351.2	92⅞	93⅞	+0¼	22.89
Murata 3½ 2000	7/84	2398	91⅜	92⅜	−0¼	25.23
Nippon Elec 2¾ 2000	1/85	1295	85⅜	86⅜	−0¼	−1.96
Nippon Oil Co 3 2000	5/85	923	102⅝	103⅝	+0¼	0.72
Nippon Oil Co 3¼ 99	3/84	1052	94	95	+1⅛	14.30
Oki Elec Ind 3½ 99	10/84	805	85⅝	86⅝	+0⅛	23.98
Orient Leasing 5½ 98	6/83	2680	112	113¼	+0⅛	−5.38
Sekisui House 3 99	6/84	612	111⅞	112⅞	+0⅛	2.75
Sony Corp 2 2000	5/85	4578	89½	90½	+0½	0.99
Sumitomo Corp 2⅞ 99	5/84	593	118⅜	119⅜	+0⅜	2.30
Taiyo Yuden 3⅛ 2000	3/85	1078	87¾	88	0	−3.04
Takeda Riken 3½ 2000	10/84	7863	† 82½	83½	+0½	28.02
Tokyo Sanyo Elec 5½ 99	12/84	772	94⅛	95⅛	+2⅜	0.06
Toshiba Ceramics 3 2000	4/85	1734.2	79⅞	80⅞	−1½	2.48
Nippon Oil Co 2½ 92 SF	3/84	1052	† 102¼	105½	−0⅜	9.37
Nippon Shinpan Co 2 92 SF	3/84	801	† 105	105½	+0½	12.54
Asics 5 92 DM	12/83	520	100	107	+0⅜	23.46
Sum Realty 6⅛ 92 DM	2/83	338	285¼	286½	+10⅜	−0.24

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dte – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn – current coupon. C.yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Wedgwood on target with £5m rise

DESPITE INTENSE competition and less buoyant conditions than in previous years in the U.S., Wedgwood lifted taxable profits by £4.5m to £15.11m in 1984-85.

Record sales were achieved by the Canadian, Australian and Japanese marketing companies which all took full advantage of the better trading conditions which prevailed during the year to March 30.

Sir Arthur Bryan, the chairman of this manufacturer of bone china and earthenware, says that competition remains severe in the U.S., but that further progress is being made in Japan and there is no sign of any reduction in tourist activity in the UK. Order books remain strong and most factories are at full stretch.

Sir Arthur says that work has already begun on a £3m project to increase the group's hotelware capacity, and greater embpasis is being placed on technical development in all factories "to ensure that the group not only retains but increases its share of world markets."

The result for the year, which was in line with market expectations, has encouraged the directors to recommend a higher final dividend, at 4.5p per share against 3.5p, for a total of 7.25p compared with 5.75p. Earnings per share are shown as 21.8p against 15p, which covers the dividend three times.

Sales were £146.44m compared with £137.81m and showed an advance of 15 per cent if allowance is made for the loss of turnover resulting from the closure of the loss-making Californian factory.

Increased productivity and efficiency also led to better margins, and the operating profit came to £16.29m against £12.48m. Related companies added £584,000 (£518,000), and the pre-tax result was struck after funding costs totalling £1.77m (£2.4m).

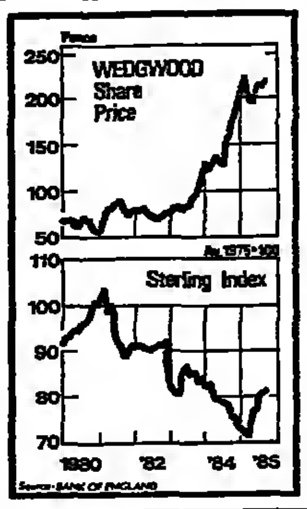
The tax charge for the year rose substantially from £4.92m to £6.84m, and left net profits at £8.26m against £5.67m. There was an extraordinary charge last time of £750,000 as a provision for deferred tax.

Attributable profits were £8.26m against £4.92m, from which the dividend will take £2.76m, up from £2.19m. The group will retain a surplus of £5.51m (£2.74m).

Highlights from the balance sheet show net assets at £61.61m, compared with £54.47m, with bank loans and overdrafts nearly halved at £8.84m, against £16.88m. The share premium account is up from £6.19m to £6.23m.

The shares closed at 219p, up 3p on the day.

Sir Arthur Bryan, chairman of Wedgwood



Doubts over Irish banking move

THE GOVERNOR of the Bank of Ireland, Mr Don Carroll, has welcomed the ending of the banking cartel in the Republic. At the same time he expressed doubt that the move will lead to increased profitability for mainstream banks on the basis that some may seek to improve their position by cutting margins.

Recently the Irish Central Bank announced changes in the arrangements by which banks post their main interest rates, effectively meaning an end to the system by which the four main banks have traditionally linked their money prices.

Already there has been some jockeying for position as rates have moved downwards in response to international pressure. On Tuesday, Ireland's largest banking group, Allied Irish Banks, eased their rates by up to 1 per cent. The spread of rates for large borrowers is now from 12.5 to 13.25 per cent.

At the annual meeting Bank of Ireland shareholders approved a trading profit for the year ended March 31 of IR£67.4m, a figure announced some three weeks ago. Bad debts have pushed profits down from the 1984 total of IR£81.6m.

At the meeting an Irish publisher failed in her attempt for election as the first woman member of the Bank's Court of directors. Ms Noelle Campbell-Sharpe bad mounted a spirited campaign despite the opposition of the existing board, but failed in her bid for shareholders' votes yesterday.

The Bank also announced that Mr Don Carroll would be replaced as Governor by Professor Louden Ryan who is currently serving as deputy governor of the Bank of Ireland.

Slight drop in new money

ACCORDING to the statistics compiled by merchant bank Samuel Montagu, the amount of new money raised by the issue of sterling marketable securities in June was marginally down on the previous month at £1.12bn against £1.13bn.

Taking the monthly figure for all new issues, which gives an indication of the total activity of the capital markets, the month of June saw £1.52bn raised—a record amount since last December which was dominated by the British Telecom issue.

So far this year a total of nearly £5.48bn of new money has been raised, compared with a total of £6.78bn for the whole of 1984.

In June a total of 25 UK companies raised £887m. The financial sector figured prominently accounting for the three largest issues—the £243m flotation of Abbey Life, a £208m offer for subscription by the European Banking Income Fund and the £150m raised in the first tranche of Standard Chartered Bank's undated primary capital floating rate notes. Four companies raised £226m in new money through offer for sales by subscription.

Rights issues of ordinary shares were less to the fore than in recent months with 15 companies calling for £345m, the largest being English China Clays' £89m offering. The other issue of note was the £74m offering by European Ferries.

The figures endorse the trend towards convertible preference issues. There were five in June compared to three in May. The value of new money raised by preference shares issued this year stands at £268.3m, compared to a total of £191.6 for the previous three years. The amount of new preference capital has now overtaken the level of convertible debt issues which so far this year have reached £263.8m.

Six Eurosterling issues raised £466m during June, two of which were from UK companies.

Local authorities raised £29m last month of which £10m was new money. Fourteen companies entered the USM raising £29m.

GLAXO HOLDINGS has agreed to sell its subsidiary W. H. Deane (High Wycombe), a manufacturer of hospital and office furniture, to a management team of that company.

Good Relations disposal

By David Goodhart

Good Relations, the only public relations consultancy with a full Stock Exchange quote, yesterday sold its Talkmoor Presentations subsidiary to Catalyst Communications for an 11.2 per cent equity stake in the group.

The deal is worth a minimum of £280,000 to Good Relations in the form of just over 3m Catalyst shares valued at 9.25p each. It also carries the condition that Good Relations will receive 50p for every £1 over £100,000 net income achieved by Talkmoor in the next year up to a maximum of £100,000. Similarly, Catalyst will receive 50p for every £1 below net income of £100,000 from Good Relations.

Talkmoor Presentations operated as a conference and exhibition business within the Paul Winner Marketing Communications, acquired last year by Good Relations. The business will now be merged with the Catalyst subsidiary Financial and Business Exhibitions.

Mr Tony Good, Good Relations chairman, said: "We acquired Talkmoor through Paul Winner but it has never been part of the mainstream of our operation. It will however fit well into the Catalyst set up."

Catalyst, a company traded on the London Over the Counter market, is projected to announce a £1m turnover and pre-tax profit of £120,000. For the year to the end of September. About 80 per cent of the shares are owned by the chairman, Mr Roger Cox, and the joint managing directors Mr Tim Rosen and Mr Leslie Kent. Good Relations will become the next largest shareholder.

Mr Tim Rosen said yesterday that the company would be seeking a USM listing next spring. "This deal will obviously help in that direction," he said.

Talbex share sale

Talbex Group, the industrial holding concern, which declared its £2m offer for Yorkgreen Investments, another holding company, unconditional on Tuesday, yesterday announced it was disposing of 1.8m Talbex shares previously held by Yorkgreen.

The stake represented 8.36 per cent of Talbex and is being purchased by Robert Wigram and Co, the stockbrokers, at a price of 6 63/64p, on behalf of its clients.

Talbex's shares closed ½p up on the day at 7p.

Bestwood

Bestwood has reached agreement to acquire three unlisted companies, Fleet Engineering, Kingsnorth Trust and Atlanta Financial Services, for a total consideration of £1,407,229 to be satisfied by 740,648 ordinary shares.

At the same time the directors propose a rights issue of up to 893,333 ordinary shares on a four-for-nine basis of 180p per share, to raise some £1m net.

Sainsbury's experiencing buoyant trading

J. Sainsbury, one of the UK's leading supermarket chains, yesterday disclosed that it was experiencing better than expected trading levels and looked forward to surpassing last year's record taxable profit of £156.4m.

Addressing the annual meeting, Sir John Sainsbury, the chairman, said that the year had started excellently and while competition was as strong as ever he said there was no evidence to suggest that any new activity by competitors had had any detectable effect on sales.

Sir John also hotted up the argument for relaxing restrictions on shop hours and welcomed last week's favourable findings by the Office of Fair Trading concerning discounts obtained by supermarket chains from food manufacturers.

He said that Sainsbury's had responded as far as it could to the demand for late night shopping but felt that "anachronistic legislation" was inhibiting freedom of trade.

Homebase, the home improvements and garden subsidiary, had proved extremely popular when it traded on a Sunday, he said, and added "as soon as we are able to, we will be opening all Homebase stores on Sundays."

While the position for supermarkets was different, he said that Sainsbury's would experiment with Sunday trading to establish the level of demand.

Regarding the OFT report he said that a clear answer had been given and "it is now up to the trade—all sectors of the trade—to recognise that, and, putting recriminations aside, to look to the future in a positive and constructive manner."

Sir John also touched on the subject of planning delays which he said could stretch to three years and were "wasteful and symptomatic of inefficient bureaucracy."

However, he believed that authorities were now more often recognising the demand that existed for large, modern supermarkets with good car parking and said it was clear that more sites were becoming available.

"As a result, we now have a larger portfolio of sites for development than we have ever had before, and the stores in the pipeline will be of a higher standard and nearer to what is needed than ever before," he said.

Sainsbury's has opened two new supermarkets so far this year, one in Mottingham and one in Brighton.

Wet weather inhibits sales at BHS

Sir Maurice Hodgson, chairman of British Home Stores, told yesterday's annual meeting that current trading had continued at a satisfactory level through the first quarter of the current year, although the cool wet spring had inhibited sales of all seasonal products.

Sales of spring/summer clothing were slow in April and looked particularly poor by comparison with the buoyant level achieved last year, he said, given the coincidence of a favourable Budget and a warm sunny Easter during the month.

"Nevertheless, trading improved significantly in May and has generally been strong in June, although the bouts of extremely wet weather had an immediate depressing effect on sales," he said.

While clothing sales had been more erratic than normal due to weather conditions, BHS was nevertheless recording significant increases in all areas and there continued to be some substitution of spending into non-clothing areas.

Banks to provide most of John Brown package

THE BANKS are making the largest contribution to the financial reconstruction of John Brown, the engineering group.

The reconstruction, which includes a £12.6m rights issue and a £20.2m injection from Trafalgar House in return for a 29.9 per cent equity stake, also involves over £37.2m from six banks.

The six, National Westminster, Midland, Standard Chartered, Bank of Scotland, Bank of Montreal and Schroeders, have agreed to convert £35.1m of their loans into an equal nominal amount of 3.5 per cent net cumulative redeemable preference shares of John Brown, redeemable in June, 1998. Of these preference shares, £10.2m nominal will be convertible into a total of 22m new ordinary shares at 46.3p per share between September 1989 and September 1995.

The banks will also subscribe for 8.5m new ordinary shares at a price of 25p, the same price of the shares in the rights issue and those being bought by Trafalgar House, and they will then hold 3.1 per cent of the enlarged ordinary share capital. On full conversion, the banks would hold 10.4 per cent of the equity. Assuming that no further shares were issued in the meantime, the Trafalgar stake would then fall to 27.6 per cent and that of other shareholders to 62 per cent.

Sir John Cuckney, chairman of John Brown, said the banks' willingness to take equity stakes, was "a demonstration of their faith in the new arrangement."

John Brown is also proposing to reduce its capital to eliminate its deficit of distributable reserves of £35.6m. This and the other proposals are subject to shareholders' approval at an extraordinary meeting which is expected to be held in early August.

The rights issue has been underwritten by Lazard Brothers and brokers to the issue are Rowe & Pitman. Trafalgar House is being advised by Kleinwort, Benson.

John Brown's results for the year ended March 31 1985, show a pre-tax profit of £1.1m, compered with a loss of £5.6m. Group turnover was down 7 per cent to £555.5m, but operating profit was up 45 per cent to £10.8m.

Trading profit of the division was as follows: engineering and construction, £2.0m (£2.8m); plastics machinery, £2.5m (£0.5m loss); power engineering, £6.1m (£6.0m); textile machinery, £1.7m (£0.4m); transportation equipment, £0.4m (£0.7m); special engineering £0.06m loss (£1.2m profit), discontinued businesses £0.1m (£2m loss).

The directors said the core businesses made further progress last year, but the performance of Olofsson, the U.S. machine tool company, "was very disappointing in the second half year due mainly to poor contract results from the fabrication services division.

"This directly impacted on efforts to divest this business. Negotiations are continuing with interested parties. Olofsson's perfomance is recovering and it is expected to return to profit in the current year."

The group's total interest payable was £13.4m in 1984-85 compared with £14.1m in the previous year. After taxes of £2.9m (£5.6m), there was a loss of £1.8m or 1.4p per share compared with a £7m loss. In the previous year, the loss was enlarged by £36.8m of extraordinary items to £43.8m. No dividend was declared in either year.

A summarised balance sheet shows net assets of £35.5m at March 31 1985. Borrowings total £127.7m offset by cash balances of £19.5m.

Norfolk Capital £62,000 profit in first six months

IMPROVED TRADING, aided by a cut in interest charges, has enabled the Norfolk Capital Group of hotels to stay in profit at the pre-tax stage for its first half trading. Normally, this period, to March 31, leads to a loss as it includes the winter season which inevitably affects occupancy.

The directors, headed by Lady Joseph, view the outcome of the full year's results with confidence, and consider that the continuing improvement shown by the half year's trading results justify an increase in the interim dividend. Therefore, this is to be 0.1p net per share, against 0.075p.

In the 1985 half year turnover rose from £4.74m to £5.75m and the trading profit from £185,500 to £274,000. Interest payable came down to £212,000 (£325,000) to leave a profit before tax of £62,000, compared with a loss of £139,000. In the last full year the group made a profit of £505,000 and paid a total dividend of 0.25p.

The half year's improvement in turnover and profit mainly stemmed from benefits accruing from the new marketing and management techniques, and the greater profitability arising from the higher standard of accommodation offered by the refurbished hotels.

In addition, the Old Swan in Harrogate, which was purchased at end September 1984, contributed to profits for the first time. The hotel has enjoyed a successful trading period and fully justifies the expectation at the time of acquisition, the directors state.

The Norfolk Hotel in South Kensington will not contribute to profits this year as it is closed until late 1985 for enlargement.

● comment

This is the first time Norfolk Capital has reported a profit at the interim stage since 1979, but for all that the result was pretty much in line with expectations and the market, as ever ungrateful, took the share price down 1½p to 21½p. The group is beginning to show the benefits of its upgrading programme, which is enabling it to replace tourism with more profitable commercial business. The contribution from the newly-refurbished Royal Court was the dominating influence on the first half and the Norfolk is now undergoing the same treatment. For the year the City is still looking to £800,000, which has the shares on a prospective p/e of 43 after a 35 per cent tax charge. At that level the market is looking a long way ahead of the game: the hotel business may have to live through another downswing, before Norfolk Capital reaps the full benefits of its investment. For the impatient investor, however, bid speculation provides a constant lure, although with the board sitting on 30 per cent of the shares and showing no inclination to take part with them, the possibility of a takeover cannot be regarded as a strong one.

Hartons joins battle for Cole

By Charles Batchelor

Hartons Group, a USM-quoted distributor of plastic and consumer products, yesterday put in a £6m all-share bid for Cole Group, topping the revised bid from Robert Moss, currently worth £5.41m.

Hartons approached Cole on Tuesday arguing a deal with Hartons made more commercial logic than one with Moss, but Cole said it was not interested. Hartons owns no Cole shares.

Mr Colin Astin, managing director of Hartons, said: "We have been looking at Cole for the past 12 months. Their most recent figures were disappointing so we left it but since the bid from Moss, Cole has made one or two encouraging statements."

Moss has declared that its current offer, revised to 80 of its own shares and £105 in cash for every 100 Cole shares on June 7, is final and it is not allowed to increase its bid under the Takeover Code.

Hartons is offering two new 6.5 per cent cumulative convertible preference shares of £1 each for each Cole share in a deal which it valued at 200p per Cole share.

Cole rose 21p yesterday to 205p, just ahead of the Hartons offer Moss rose 1p to 94p while Hartons was unchanged at 53p.

Moss holds 8.1 per cent of Cole and has acceptances to its bid from the holders of a further 20 per cent of Cole's shares.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Fleming Claverhouse int.	2.75	Sept. 30	2.5	—	8.7
Hollas Group	1	Oct. 1	1	2	2
Norfolk Capital int.	0.1	Oct. 1	0.08	—	0.25
Sorasota Technology	1.81	—	—	2.31	—
R. W. Toothill	4.5	—	4.5	7.5	7.5
Wedgwood	4.5	Aug 12	3.5	7.25	5.75

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Hollas Group holds profit despite high interest costs

DESPITE THE many difficulties that faced importers and high interest rates, the Hollas Group managed a marginal improvement in pre-tax profits, from £1.03m to £1.12m, in the year ended March 31 1985.

Mr Anthony Lawson, the chairman, describes the results as "commendable" and believes they demonstrate the ability of the trading companies to operate successfully in adverse conditions. The dividend for the year is being held at 2p net, with a final of 1p.

He says the garment distribution division is now "acknowledged as one of the leaders in its field." After two years of reorganisation and investment, it is capable of "great organic growth" over the next two or three years, and the company now has the structure and personnel to achieve that.

In the year the importing of made-up garments was fraught with difficulties. In addition to the unprecedented and long-lasting weakness of sterling against the currencies in which the company trades, there was the unseasonably mild early winter weather and the miners' strike had bad effects on the trading of some of the company's customers and resulted in delays in the call-off of goods.

Also the company had to fund substantial advanced VAT payments brought about by new rules governing importers. With higher interest rates, this meant that finance charges rose from £388,000 to £526,000, with net interest payable against the profit being £464,000 (£270,000). Turnover in the year went up to £28m, from £26.34m.

In another difficult year for the yarn division (the group is a merchant and processor) the trading companies have more than held their own. However, growth potential will depend largely upon a general increase in the use of the yarns in which the company specialises, and it continues to explore new markets, says the chairman.

Investments in associated companies "generally continue to please," and Mr Lawson looks forward to next year and beyond with "great anticipation and enthusiasm" for the whole group. At the year-end shareholders' funds stood at £8.69m (£8.5m).

In the past year the tax charge was £467,000 (£409,000) to leave the net profit at £656,000 (£622,000), equal to 2.6p (2.4p) per share. There is an extraordinary credit £23,000 (debit £267,000) and dividends absorb £515,000, leaving a transfer to reserves of £164,000 (from £160,000).

C. E. Heath looks towards successful year

At the annual meeting of C. E. Heath, international insurance broker, reinsurance broker and underwriting agent, Mr Derek Newton, the chairman, told shareholders that on the broking side the trend towards a harder market had continued, with generally higher rates and tighter capacity.

Management figures for the first quarter of 1985-86 showed brokerage some 30 per cent ahead of the same period last year, with rather less help from currency factors.

He said that investment income had remained at a higher level than they might have expected, and that while the group had a long way to go, it should have a successful year if those conditions continued.

The group had now agreed a timetable for the divestment of its Lloyd's underwriting agency and the directors expected that the group's underwriters would be writing business independently under the name of Cuthbert Heath from January 1 1986.

Despite the enforced divestment, the chairman reconfirmed the group's commitment to the Lloyd's market.

Toothill falls to £0.3m but dividend maintained

R. W. Toothill, furniture manufacturer, has announced lower pre-tax profits of £307,000 for the year to March 31 1985, compared with £325,000 previously. At the half way stage profits of £112,000 had been achieved, against £155,000.

Despite this, the dividend for the year is maintained at 7.5p, with a same again final of 4.5p. Earnings per 25p share are shown down at 25.7p (27.27p). Toothill has close company status.

Invoiced sales for the year reached £4.75m (£4.55m), excluding VAT, and the pre-tax result was struck after providing £75,000 (£58,000), for all charges, including depreciation and other amounts written off tangible fixed assets.

The directors say that due to the quite short delivery dates in the company's industry, it is difficult to see very far ahead, but the company anticipates that profits for the first half of the current year will be in the region of the first half of 1984.

The requirement for provision for deferred tax is lower. To reflect this, £66,950 has been written back to reserves, and has been treated as extraordinary income.

The lease of the present offices expires in April 1986 and the company does not intend to negotiate a renewal, preferring to relocate the offices in a part of the modern factory for which space was allocated when the factory was built.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Finals: Bertam, Clogau Gold Mines, Paejan, Greene King, Norbain Electronics, Alexander Russell, Zygal Dynamics.

FUTURE DATES

Interims—	
Dewhurst and Partner	July 18
Parlcom	July 10
Tribune Investment Trust	July 11
Finals—	
Distillers	July 17
Jones Stroud	July 11
Magnet and Southerns	July 10
R.E.A.	July 9

USM place values John Michael at £3.3m

John Michael Design is the latest design by Luck Kellaway to join the USM, with a placing by Strauss Turnbull of 2.8m shares at 44p each to capitalise the company at £3.3m.

The placing, which represents 37 per cent of the enlarged equity, will raise £680,000 of new money after expenses. This will be used to increase working capital. After the placing, the chairman Mr David Callcott and a director, Mr Terry Moore, will own 63.2 per cent of the shares.

The company specialises in retail design, with customers including Debenhams, Selfridges, Snob, Visionhire and Heroes. It has benefited from the move by retailers over the last few years to redesign stores and to use design as a marketing device. Accordingly, the percentage of John Michael's turnover from retail design has grown from 55 per cent in 1981 to 82 per cent in 1985.

Four major clients accounted for 70 per cent of turnover last year, a pattern which the company expects to continue, due to its growing commitment to the multiples. However, in the current year no single customer should represent more than one third of turnover.

In addition to retail design, John Michael also designs precincts, shopping malls and public areas. This is viewed as a growth area by the company.

It has only been in the last two years that the company has enjoyed a rapid increase in turnover, which reached almost £1m in 1985 after about £260,000 in 1983. In 1984 the company broke even after three years of deepening losses.

In 1985 profits rose sharply to £352,000, and in the current year to March 1986 the company is forecasting a 28 per cent increase to £450,000. On this basis, the shares at the placing price are on a prospective price earnings multiple of 12.2 after a 40 per cent tax charge. The yield is 3.2 per cent, assuming a 1p dividend.

Dealings begin on Monday.

Sarasota held back in second half

VIRTUALLY unchanged profits of £2.23m have come through at Sarasota Technology in the year ended March 31, 1985, after a *disappointing second half*. But the company is looking to the current year "with confidence and enthusiasm," its business plan depicting a conservative first half and healthy growth for the year as a whole.

Sarasota obtained a full listing a year ago with a price tag of over £23m, after being bought out from Redland in a management deal worth £5.4m two years earlier. Its principal activities are the manufacture of electronic sensors, transducers and related microcomputers for vehicle detection and the oil and petrochemical industry. Main markets are the UK and *North America*.

At the halfway stage the profit had moved up from £773,000 to £1.04m and the chairman, Mr Ronald Hooker, indicated that continued growth depended to some extent on orders for new products being received in time for shipment before the year-end.

"In the event this did not occur and the growth experienced in the first half was not repeated in the second half," he explains.

While growth in the company has been somewhat disappointing, this has been a year of consolidation. It has traded well, having excellent cash flow and a strong balance sheet, Mr Hooker says.

The company has also maintained its drive to strengthen the technical base. New products and services in all areas and a significant level of expenditure on research and development was held at £444,000.

Management team has been strengthened both in the UK and the U.S. and the chairman expects the product range to be enhanced in the coming year by strategic acquisitions.

As a mark of their confidence in the future performance, the directors are paying a final dividend of 1.61p which raises the total to 2.31p.

Turnover in 1984-85 was a little higher at £10.07m (£9.25m) and was split as to UK £2.43m (£2.37m), Western Europe £1.62m (£1.39m), North America £5.22m (£4.12m) and elsewhere £803,000 (£1.38m). Operating profit came to £2.19m (£2.47m).

Tax takes £1m (£1.04m) to leave the net profit at £1.23m (£1.21m). Earnings are shown to be 7.07p (7.37p) per share.

Turnbull Scott optimistic

FOLLOWING the disposal of certain loss-making interests, Turnbull Scott Holdings is concentrating on improving and, if possible, expanding its profitable activities, says the chairman Mr R. M. Turnbull in his annual statement.

"*I* am cautiously optimistic about the current year," he tells members. In the year ended March 31 1985 the group made a profit of £135,000 (£274,000) but raised its dividend by 1p to 8p.

Reporting on the individual divisions, he says success or failure in shipping will very much depend on the trading of the new chemical tanker; she will be trading on the open market although "we will continue to look for suitable long term employment."

Last year shipping suffered a pre-tax loss of £248,000 (£355,000) after providing £207,000 additional depreciation on the *Irishgate* in view of the reduction in market value of that class of ship.

In engineering there is a number of new projects under discussion and the general activity for service and sale of spares at all centres continues at a high level. The profit last year came to £334,000 (£258,000).

As regards the fishing side Mr Turnbull says it is too early to assess the fishing season, but the results are already better than in 1984-85. Overall last year adverse weather conditions and very high repair costs which meant less days at sea affected the catch, and the division suffered a loss of £258,000 (profit £176,000).

Securikey, which provided a profit of £205,000 last year, has introduced a new line of underfloor safes at the less expensive end of the market and this is proving successful.

At the company's annual meeting on July 25, shareholders will be asked to give the directors authority to buy in some of the company's shares. The directors have no immediate intention of doing so, but feel they would like to have the option available.

The number of shares for authorisation will be 20,000 ordinary and 20,000 non-voting A ordinary, to be purchased at a minimum price of £1 and a maximum of 105 per cent of the average of the middle market quotation for each of the three business days prior to any contract.

Losses rise at Sutcliffe Speakman

Losses at the Sutcliffe Speakman group of carbon manufacturers and engineers have accelerated, against the trend expected by the directors.

They had reported a loss increased from £104,000 to £220,000 for the first half, but said there would be an improvement on that in the second. In the event, the loss for that period is up to £377,000 making £597,000 for the full year ended March 31 1985, compared with a profit of £45,000 in the previous year.

Turnover in the year came to £7.85m, against £6.54m. The profit was struck after exceptional debit £51,000 (£13,000) and interest charges £252,000 (£262,000). After tax £31,000 (£5,000) and minorities £26,000 (£7,000) the loss per share is given as 10.46p (earnings 0.53p).

In respect of the current year the directors say the first quarter has seen in the active carbon operations a "much improved" stability in output and pricing, with a corresponding satisfactory trading profit. Orders on hand are higher than at this time last year.

The engineering order book is not as satisfactory, but the inquiry and tendering rate "looks healthy." A contract has been signed to supply to China the drawings, technology and training programmes for a coal based active carbon plant.

COMPANY NEWS IN BRIEF

CONNELLS ESTATE AGENTS has entered into a conditional agreement to acquire Collier and Madge, a firm of chartered surveyors and property consultants based in London. The consideration for the purchase is dependent upon CM's profit performance in the period from completion to December 31, 1987. The basic consideration is equivalent to £2.88m, of which £1.5m will be paid on completion and the balance during 1986 and 1987.

GARNAR BOOTH has concluded negotiations in connection with two acquisitions. It has contracted to purchase the business and trading assets of the by-product division of Strathmore Meat, which operates in Scotland. The consideration of £425,326 will be satisfied by the issue to Strathmore of 221,078 ordinary shares. Agreement has also been reached for the purchase of Lederfabriek Roords BV of Holland, for Fl 1.75m (£390,00). The consideration will be satisfied by the issue to the sole shareholders — Paul and Dirk Roords — of 203,305 ordinary shares.

MANUGOOD'S buy-out terms for Haden have been accepted in respect of 13.63m ordinary shares (87.9 per cent), 25,778 5.6 per cent preference shares (94.8 per cent) and 248,527 3.85 per cent preference shares (99.4 per cent). Manugood now holds 14.15m ordinary shares (91.3 per cent) and the offer has been declared unconditional.

SAPPHIRE PETROLEUM'S offer for sale of 6m shares on the USM has been 62.6 per cent subscribed. Applications for 3,759,000 shares priced at 150p have been received, and will be met in full. The remainder will be taken up by the underwriters.

BRADSTOCK GROUP'S offer for sale of 2.6m shares attracted 792 applications for a total of 2.7m shares. Applications for 300,000 shares or less will be allotted in full and applications for more than that will receive approximately 87 per cent.

YEARLING BONDS totalling £7m at 12 per cent, redeemable on July 9 1986 have been issued by the following local authorities: Lothian Regional Council £2m; Newcastle-upon-Tyne (City of) £1m; East Staffordshire District Council £0.5m; Mole Valley DC £0.25m; West Oxfordshire DC £0.25m; Renfrew DC £1m; Darlington Borough Council £0.5m; Brentwood DC £0.25m; Aberdeen (City of) DC £0.5m; Cleethorpes BC £0.5m; South Bedfordshire DC £0.25m.

BROOKS SERVICE GROUP of Bristol, which rents linen to hotels and restaurants, has acquired the hotel linen hire business of Johnson Group Cleaners, operated through James Hayes of London, for a figure approaching £1.5m.

LADBROKE INDEX
939-943 (−3)
Based on FT Index
Tel: 01-427 4411
July 4 closing at 6 pm

APPOINTMENTS

Managing director for Carrefour

Mr David Fisber, managing director of Linfood Cash & Carry has been appointed managing director of CARREFOUR. This will release Mr Peter Thistleton to concentrate on the development of Gateway Foodmarkets as managing director. Mr Alan Thomas, deputy managing director of Linfood Cash & Carry, will succeed Mr Fisber as managing director. Mr John Lebbert, finance director of Linfood Cash & Carry, has been appointed group financial controller of Fine Fare. Mr Andrew Christie, who was previously with Coopers & Lybrand, has been appointed finance director of Gateway Foodmarkets and Mr John Ridgewell has been appointed fresh produce director. Mr Frank McCrystal and Mr Ivan Magee have been appointed food director and operations director respectively of F. A. Wellworth.

Mr Keith Tate has retired from the board of TILBURY GROUP and from all his subsidiary company appointments. Mr R. J. Drinkwater succeeds Mr Tate as managing director of Tilbury Plant.

★

SUTER has appointed Mr Paton Wallace as chief executive of its newly-formed packaging group from July 22. He is deputy managing director of the Prestcold semi-hermetic unit division, sold by Suter to the Copeland Corp, U.S. in March last yeer.

★

Mr R. A. Wilson has been elected chairman of NESTLE HOLDINGS (UK). He succeeds Mr W. A. Manahan, who retains his seat on the board but is standing down as chairman. Mr Wilson continues as managing director, a post he has held since 1974. He joined Nestle in Australia in 1955.

★

HOME CHARM GROUP has appointed Mr Ronald C. Trenter, a director, as managing director. Mr H. E. (Manny) Fogel, currently chairman and managing director, will remain executive chairman of the group.

★

ALEXANDERS HOLDINGS has appointed Mr Martin Acland as a director. A former director of Mercantile Credit, recently retired, he joins Alexanders board on July 15.

★

HOGG ROBINSON has made the following appointments to its newly-created subsidiary, Hogg Robinson (Credit and Political): chairman—Mr Howard Davies: deputy chairman—Mr Allan Oscroft; managing director—Mr Terry Bridgman; executive directors—Mr Nigel Allington (research and development), Mr Nigel Bovingdon (credit insurance), Mr Charles Harbord-Hamond (political risk insurance), and Mr Bryan Gibbons (sales and marketing). Hogg Robinson (Credit and Political) is the parent company of four operating subsidiaries—The Credit Insurance Association, Investment Insurance International (Managers), Commercial and Political Risk Consultants and Contract and Investment Recoveries.

★

Dr Tom Margerison has been appointed director of the NUCLEAR ELECTRICITY INFORMATION GROUP (NEIG). The group is responsible for developing and implementing e major long-term public information programme on all aspects of the peaceful use of nuclear energy—its technology, potential and issues such as safety and environmental impact. The organisations which are party to the NEIG are British Nuclear Forum, British Nuclear Fuels, Central Electricity Generating Board, Electricity Council, National Nuclear Corporation, Nuclear Industry Radioactive Waste Executive, South of Scotland Electricity Board, and UK Atomic Energy Authority. The chairman is Mr John Baker, a full-time member of the CECB.

★

Mr Ian Menzies, who recently became a general manager of GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION, has been appointed a director.

★

Mr A. C. Liddle has been appointed a director of SIRIUS INSURANCE COMPANY (UK), and Mr D. McMekin has been appointed secretary.

★

Mr Peter L. Bonfield, managing director of STC International Computers, has been appointed to the board of STC. He became managing director of ICL following the company's merger with STC last year, having joined the ICL group in 1981 as group executive director responsible for worldwide operations.

★

TELEMETRIX confirms thet Mr Roger Crumpton has become group managing director. Formerly sales director and then deputy managing director, he joined Telemetrix subsidiary, Westward, in 1981 to set up a sales force.

★

Mr Norman Hughes has been appointed to the board of MARSHALLS HARD METALS, Sheffield—part of Marshalls Halifax. Before joining Marshalls in April, he was a director of Rigby Metal Components.

★

Mr Tim How, marketing director of Bejam Freezer Food Centres, has been appointed to the parent board of BEJAM GROUP as trading director. Mr How, who joined Bejam less than two years ago from Polaroid, now has overall responsibility for retail operations and the marketing and appliances divisions.

★

Mr Christopher Bland, chairman of LWT Holdings, and chairman of Century Hutchinson, has been appointed chairman of the STONEHART PUBLISHING GROUP.

★

ALLIED LONDON PROPERTIES hes appointed Mr Alfred Davis, e former senior partner with Stoy Hayward, as a non-executive director.

★

Mr Gay Fenn-Smith is the new executive chairman of UNITED TRANSPORT COMPANY, holding company for the United Transport Group's UK and European interests, replacing Mr Vic Martin, managing director, who has retired. Mr Fenn-Smith has also been appointed to the board of the group's parent company, United Transport International, a BET company. He joins United Transport from Advance Services, BET's Advance Group holding company, of which he was formerly managing director, and he has joined—in a non-executive capacity—the board of Initial Services, which has recently become a wholly-owned subsidiary of BET.

★

AGB GROUP has launched a new company, AGB Financial Market Research. The joint managing directors are Mr Michael Head, former marketing services manager of Heinz and more recently AGB's group business development manager, and Mr Hugh Welburn, who also runs AGB's travel research company. Mr Peter Elford becomes marketing director. He was marketing manager with Anglia Building Society.

★

BLUE ARROW has appointed Mr Roy Agar as a director. He is managing director of Blue Arrow Cleaning Group, a wholly-owned subsidiary, and will remain responsible for the further expansion of the group's industrial contract cleaning activities.

Mr S. C. Heuston has been appointed a director of WM. JAS AND HY. THOMPSON (RUBBER).

★

Mr Chris Brown has joined CAPITB as board secretary designate and will take over the complete secretariat in early 1986.

★

Mr Bill Tait has been appointed managing director of HAWKER SIDDELEY RAIL PROJECTS.

★

HILL SAMUEL INVESTMENT SERVICES has appointed two regional directors. They are Mr Rory MacLean, previously district manager of HSIS Scotland (West) branch, and Mr Solo Nagra, previously manager of HSIS Birmingham branch.

★

CLARK WHITEHILL has admitted the following to partnership: Mr Roger Downes (Cheltenham), Mr Joseph Hancox (Birmingham) and Mr Richard White (corporate finance unit).

★

Mr David Gates, managing director of First Interstate Capital Markets, London, will shortly assume new responsibilities for FIRST INTERSTATE BANK'S government sales and trading division in Los Angeles. He will be responsible for primary dealership in U.S. Goverments, as well as agencies, financial futures, options, and money market securities. Mr Gates will also assume the newly-created responsibility of managing global risk for First Interstate Bank's global securities trading activities.

★

FROGMORE ESTATES has appointed Mr Kenneth J. Oliver as chairman following the resignation of Mr Dennis J. Cope, who remains on the board as a non-executive director. Mr Oliver is currently managing director and will remain so. He has been a director since 1967. Mr Cope was a founding director in 1961, and since 1982 has been responsible for its phased withdrawal from housebuilding.

★

The C. E. HEATH GROUP has made the following appointments: At C. E. Heath and Co (Aviation) and at C. E. Heath and Co (Aviation Reinsurance Broking) Mr J. S. Perry becomes an additional director. Mr P. J. Loan and Mr T. G. Watson are appointed associate directors, and Mr M. B. Campe and Mr R. W. Turner are made assistant directors. At C. E. Heath and Co (Reinsurance Broking) Miss A. M. Van der Ploeg becomes an assistant director. At C. E. Heath and Co (LMX) Mr I. K. Frisby is appointed an associate director and Mr I. H. Roake and Miss Van der Ploeg become assistant directors.

★

Mr Eric Reid has been appointed manager aviation division, BP OIL, in succession to Mr Peter Biascos who has joined British Pipeline Agency as general manager. Mr Reid was appointed vice-president international oil trading BP North America Petroleum in New York in 1982 and more recently was project manager in BP North America's business development department.

★

Mr George White, editor of The Sporting Life Weekender, has been made managing director of ODHAMS NEWSPAPERS and Mr Peter Robins, managing director of Mirror Publications its deputy managing director. Odhams Newspapers are the owners and publishers of The Sporting Life and The Weekender.

★

Three senior appointments have been made by HENRY BOOT & SONS the parent company of the Henry Boot Group. Mr Alan M. Bamford, Henry Boot Group personnel director and managing director of Henry Boot Training and Mr E. James Boot, managing director of Henry Boot Developments have both been appointed to the board of Henry Boot & Sons, and will retain their subsidiary company positions. Mr Ian Wallace, formerly assistant group accountant, has been appointed group financial controller.

★

MILLER BUCKLEY CIVIL ENGINEERING, part of the Miller Buckley Group, has appointed Mr Mike Chippington a director. Mr Gerry Robbins has been appointed managing director of Dividag Systems. Dividag is a wholly-owned subsidiary of Miller Buckley. Mr John Finnis has been appointed technical director of Dividag Systems.

★

Mr George R. Brown has been appointed a director of ELECO HOLDINGS. Mr Peter C. Smith has retired as a director.

★

Mr Don Whitford has joined the board of THE DISTILLERS COMPANY (HOME TRADE) as field sales director. Mr Whitford, has been national sales manager with the Surbiton-based company since it started in April last year.

★

THE STOCK CONVERSION AND INVESTMENT TRUST has appointed Mr John Manser, chief executive of Save & Prosper, to its board as e non-executive director.

★

Mr Colin West who recently transferred from Glasgow to London on his appointment as general manager marketing for the FYFFES GROUP, has been confirmed as a main board director.

★

The following have been appointed directors of NIVISON CANTRADE: Mr G. van Reimsdijk (chairman), Lord Glendyne, Mr B. R. Le M. Lawrence (managing), Mr C. M. de Leon, Mr P. D. Rickett (administration), Mr A. T. Stbeeman, Mr C. R. Wells (finance), Mr F. Sharma (alternate) and Ms R. Z. Galt (secretry). The company was recently formed by R. Nivison and Co., stockbrokers, and Bank Cantrade, Switzerland.

★

LYNDOE HOLDINGS has acquired the business of Microvogue (UK) to complement its existing office equipment interests. Microvogue act as agent for manufacturers of microfilming and computer software packages. Appointed to Microvogue (UK) are: Miss B. G. Taylor as marketing director, and Mr A. Taylor and Miss S. J. Charlton, as non-executive directors.

★

Ms Susan Grice has been appointed a director of BURSON-MARSTELLER FINANCIAL, a subsidiary of Burson-Marsteller.

★

PIZZA HUT (U.K.) has appointed Mr Jeff Carr, director of marketing, from marketing manager, Whitbread North West; Mr Simon Poulton, chief financial officer, from finance controller, Whitbread Wines and Spirits; Mr Geoffrey Smith, director of property, from development controller, Ladbroke Racing; Mr Don Thake, director of human resources, from personnel manager; and Mr Don Wood, director of operations, from regional manager, Pizza Hut Inc., U.S.

★

BENSONS CRISPS has promoted four senior managers to directors of their respective divisions: At Bensons Crisps (N. West) Mr Graham Aaron sales director, Mr John Baggaley finance director and Mr George Beech, production director. At Bensons Crisps (South Wales), Mr Ron Eagle has become sales director.

★

M SERGE ROBERT has been appointed executive vice-president, international, of MasterCard International, the payments systems association which has some 27,000 member institutions, from September 1.

M Robert, who will work from New York, Paris and Hong Kong, has since 1982 served as executive vice-president of the Paris-based Caisse Nationale de Crédit Agricole.

Public Works Loan Board rates

Effective July 3

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11⅞	—	—	12⅜
Over 1, up to 2	11⅜	11½	11⅞	12⅜	12¼	12⅜
Over 2, up to 3	11½	11⅝	11¾	12⅜	12¼	12⅜
Over 3, up to 4	11⅝	11⅝	11⅝	12¼	12¼	12⅛
Over 4, up to 5	11⅝	11⅝	11⅝	12⅛	12⅛	12⅛
Over 5, up to 6	11⅝	11⅝	11½	12	12	12
Over 6, up to 7	11⅝	11⅝	11⅜	11⅞	11⅞	12
Over 7, up to 8	11⅝	11⅝	11⅜	11⅞	11⅞	12
Over 8, up to 9	11⅝	11⅝	11⅛	11⅞	11⅞	11⅞
Over 9, up to 10	11⅝	11⅝	11⅛	11⅞	12	11⅞
Over 10, up to 15	11⅝	11⅜	11	12	11⅞	11⅞
Over 15, up to 25	11⅜	10⅞	10⅞	11⅞	11⅞	11⅝
Over 25	10⅞	10⅞	10⅞	11⅝	11½	11⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
146	123	Ass. Brit. Ind. Ord.	135	−1	8.6	6.4	7.5	8.8
151	135	Ass. Brit. Ind. CULS	138	−2	10.0	7.2	—	—
77	45	Airsprung Group	45xd	—	6.4	14.2	7.5	9.8
42	26	Armitage and Rhodes	37	—	2.9	7.6	4.6	7.7
158	106	Bardon Hill	154xd	−3	4.0	2.6	19.5	20.3
64	42	Bray Technologies	64	—	3.9	6.1	7.6	9.0
201	181	CCL Ordinary	162	—	12.0	7.4	4.0	3.6
152	106	CCL 11pc Conv. Pref.	105	—	15.7	14.9	—	—
129	10	Carborundum Ord.	128	—	4.9	3.8	8.3	9.9
88	83	Carborundum 7.5pc Pf.	84	—	10.7	12.7	—	—
73	46	Deborah Services	46	—	6.5	14.1	4.4	7.1
450	182	Frank Horsell	450	+25	1.4	0.3	11.6	14.9
385	170	Frank Horsell Pr.Ord.87	385	+15	11.9	3.1	8.9	12.7
32	25	Frederick Parker	27	—	—	—	—	—
64	33	George Blair	64	—	—	—	4.3	8.6
50	20	Ind. Precision Castings	20	—	2.7	13.5	6.5	6.9
218	177	Isis Group	180	—	16.0	6.3	7.1	12.9
124	101	Jackson Group	107	—	5.5	5.1	7.2	7.2
285	213	James Burrough	229	−1	16.0	6.6	7.2	7.2
93	83	James Burrough 9pcPf.	89	—	12.9	14.8	—	—
95	71	John Howard and Co.	92	—	5.0	6.4	7.3	11.5
225	100	Linguaphone Ord.	218	—	—	—	8.0	8.4
100	92	Linguaphone 10.5pc Pf.	92	—	16.0	16.3	—	—
650	300	Minihouse Holding NV	606	−2	6.9	1.1	26.6	25.2
120	31	Robert Jenkins	68	—	5.0	7.4	—	—
60	28	Scruttons "A"	33	—	—	—	—	8.5
92	61	Torday and Carlisle	75	—	5.0	6.7	3.8	6.9
444	325	Trevian Holdings	325	—	4.3	1.3	18.5	18.2
30	17	Unilock Holdings	30	—	1.3	4.3	14.6	21.0
104	81	Walter Alexander	102	+2	7.5	7.4	7.7	11.0
247	218	W. S. Yeates	221	—	17.4	7.9	6.3	10.8

Prices and details of services now available on Prestel, page 48146

BUSINESS LAW

Anti-trust flexibility in Berlin

By A. H. HERMANN, Legal Correspondent

THE Federal Cartel Office in Berlin is the nearest thing in Europe to the U.S. anti-trust enforcement agencies, though it lacks the powerful support which these receive from the private treble damages actions.

In its early years the Berlin office created for itself a rather stern and legalistic image. Realising the need to adjust competition policy to the structural changes taking place in the German economy, and perhaps encouraged by the new flexibility acquired by its U.S. model in the Reagan years, it now seems to tread more carefully. It accepts that some mergers and restrictive agreements may be not only harmless but even pro-competitive. This much at least one can read *between the lines of its report* for 1983-84 submitted to the Bonn Government on June 25 and published yesterday.

Its benevolent policy towards joint ventures likely to stimulate the economy contrasts with the pusillanimity of the EEC Commission which, while professing a full understanding of the potential contribution of joint ventures, has done little so far to make them safe from illegality and invalidity under the EEC competition rules. The German Cartel Office seems rather proud that, out of 40 joint ventures for research and development which it investigated it disapproved of only three.

The same picture of a thorough but gentle surveillance emerges from its merger control statistics. After reaching a peak in 1980, merger activity receded in 1983, but regained its former level in 1984. Since the introduction of merger control in 1973 the office has investigated 3,641 merger proposals out of 5,877 notified. The speed of the investigations is quite remarkable. In 75 per cent of cases the merger was approved within one month of notification—the law gives the office four months.

The statistics also reveal a considerable expansion of German foreign investment. In the 1983-84 period 13 per cent of all notifications, amounting to 144 merger projects, concerned enterprises situated outside Germany. Out of these, in 52 cases the transaction involved the acquisition of a foreign enterprise by a German enterprise or its foreign subsidiary.

The relatively light hand which the office now applies to merger control is evident from the fact that in each of the two years 1983 and 1984 only seven mergers were formally prohibited.

Looking back over the entire period of merger control from 1973 until the end of 1984, one can see that out of the 62 merger prohibitions only 25 actually came into force. In 15 cases appeals are still pending; in three the companies avoided the prohibition by modifying their projects, and in 18 cases the prohibitions were lifted.

Compared with the 25 formal prohibitions, many more mergers were given up after an informal approach to the office. The number was 25 in the two years covered by the report and 111 from the beginning of merger control. In the period to the end of May 1985 two more mergers were prohibited—the Pillsbury/Sonnen - Bassermann, and Badenwerk/Energie-Wasserwerke Rhein-Neckar.

The greatest concern of the cartel office seems to be restrictive practices resulting from the rapidly advancing concentration of wholesale and retail trade, particularly with the expansion of supermarkets. About 2,000 to 3,000 small shops are being closed each year and individual shopkeepers seem to be able to survive only by specialising, for example, in upmarket fresh products and services.

This is not all, however. The pace of takeovers of medium-sized and even quite large retail organisations, with multi-million pound turnovers, by national retail chains has quickened in recent years.

This concentration opens up the possibility of anti-competitive behaviour in two directions. First, enterprises with great buying power may be able to enforce special discounts and terms from small and medium-sized manufacturers. The prosecution of such practices is difficult, since many manufacturers are reluctant to report them for fear of retaliation.

The other anti-competitive practice stems from the possibility of these new large enterprises selling a not unimportant proportion of their wares below the purchase price for a considerable period of time, with the objective of putting smaller and financially weaker competitors out of business.

The cartel office tried to put an end to such predatory pricing by a voluntary agreement of the large enterprises to give up such practices. This was obtained first in a round of talks in 1983 which resulted in the so-called "Berlin Agreement" which was further tightened up in October 1984. The representatives of the food industry promised to support this agreement by making their terms of sale simpler and more transparent.

However, the German retailers represented by the Retail Trade Federation are still dissatisfied. They would prefer a return to retail price maintenance, but failing that, stronger curbs on loss-leader sales, special sales and other forms of discounting. They have threatened that if the voluntary Berlin Agreement is not effective they will insist on legislation to tighten up this area of competition law.

It is interesting that such a threat should come after a period when the abusive use of price recommendations was clearly on the retreat. In the two years 1983-84 the cartel office initiated only 34 investigations in this field which previously took up a substantial part of its time.

The cartel office seems to take a different line from the *retailers' organisation* when it claims that in most consumer goods markets competition is now sufficiently intensive to keep abuse of price recommendations in check. Only in two investigations concerning audio and TV electronics has the office found it necessary to prohibit agreements which prevented distributors from fixing their own prices.

It appears that merger control is now considered to be a much more important instrument for curbing market power than the application of rules directed against restrictive practices. In this field the cartel office now has the power to oppose mergers leading to market dominance in regional—as well as in national—markets.

At the same time, it is realised that competition can be enhanced by allowing smaller enterprises to combine for joint purchasing. The office is now reviewing such purchasing cartels with a favourable eye on those consisting of small and medium-sized enterprises. But it tries to prevent their penetration by large enterprises whose considerable buying power could be still further enhanced by joining such cartels.

The office also views as pro-competitive combinations of production capacities through cartels and co-operation agreements, which enable small enterprises to bid for larger contracts and which facilitate the completion of such contracts by joint purchasing and exchange of experience. In the 1983-84 period the number of such approved co-operations rose from 107 to 116, embracing by the end of 1984 over 1,400 enterprises. Most of these enterprises are in the stone, earth and building industries.

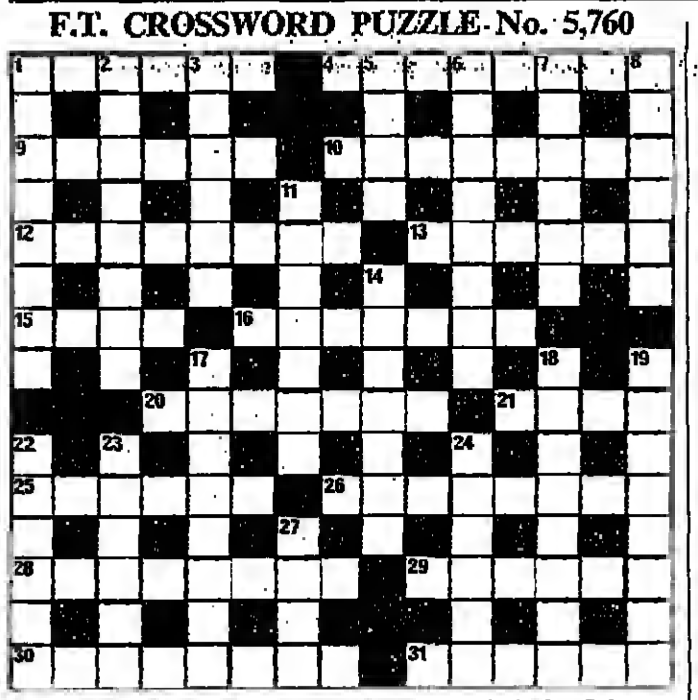
Also, participation by a growing number of banks and venture capital companies in well-established small or medium-sized enterprises is viewed as pro-competitive in principle. This is so particularly when an enterprise which has no direct access to new venture capital is strengthened by a minority participation which leaves its entrepreneurial independence unaffected. Such participation is seen as useful for the development of new products and processes, and for thus increasing competition in the market concerned. However, the cartel office is aware of the danger that parallel participation by one finance company in several competing enterprises can reduce competition.

A number of projects for the establishment of commercial television and radio organisations has created new problems for the cartel office. As a rule, all these projects are sponsored by publishers and the office fears that a combination of conventional media, that is the Press and book publishing, and the new broadcasting media could restrict the competition which consists in the substitution of one medium for another.

The office sees a possible danger here and seems inclined to give its blessing to such projects, combining the old and new, only for a limited period of time. Gone are the times when people went to the cinema to see a film version of a book, but they seem now to be buying books for which their appetite was whetted by radio or television serials.

** Report of the Federal Cartel Office for the years 1983-84, published by Hans Heger, P.O. Box 20 08 21, 5300 Bonn 2.*

F.T. CROSSWORD PUZZLE No. 5,760



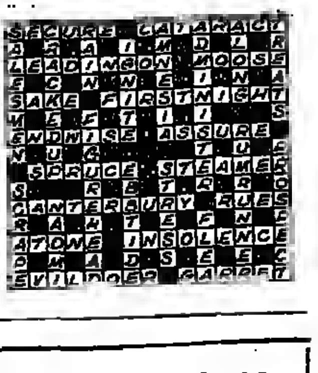
ACROSS

1 Tax-protester who presented her buff form? (6)
4 Useless material for Idle Jack, perhaps (8)
9 Specify if need is disastrous (6)
10 Roller on water, yet it is calm usually (8)
12 Private apartments? (8)
13 Was changing the bandage (6)
15 Suit played in Scottish Isles (4)
16 Outskirts of Surrey holds former Wimbledon champion in thrall (7)
20 Harbour of mysterious orient (7)
21 Doctor has a name for this complaint (4)
25 Many depart for Split (6)
26 Master of Eton a dim sort? (8)
28 Instrument to hold what should be potted (8)
29 Help a vessel—it's breaking up (6)
30 Tonic note—sore toe treated with antiseptic (8)
31 E.g. Mons Meg—girl in study (6)

DOWN

1 Gallivanter Dag? (8)
2 Begin decimation of trees, perhaps (8)
3 One who would destroy London museum before long (6)
5 Inverted fruit for Zola, say (4)
6 State river crossed by Washington (8)
7 Wine shipped from here left rings outside (6)
8 Plant to tremble with age (6)
11 "Blithe Spirit"—such a romp! (7)
14 "Love to Virginia" turning into a warm welcome (7)
17 Residue of the mad Svengali (8)
18 Gift for party people (8)
19 Like Victor at head of table? (8)
22 Vinegary champion has credit cut short (6)
23 Pollute gorge (6)
24 Make it safe for the carnival (6)
27 Tone-lowering character in the bar (4)

Solution to puzzle No. 5,759



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd.

TSB Unit Trusts

Perpetual Unit Trust Mngmt.

Prolific Unit Trusts

Providence Capital Fd. Mgrs. Ltd.

Prudential Unit Trust Mngrs Ltd.

Quilter Management Co. Ltd.

Reed Stenhouse Inv Services Ltd

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

N.M. Rothschild Asset Management

Rowan Unit Trust Mngt.

Royal Life Fd. Mgmt. Ltd.

Royal London Unit Tst Mgrs Ltd

Royal Trust Can. Fd. Mgt. Ltd.

SKG Management Limited

Save & Prosper Group

Schroder Unit Trust Managers Ltd

Scottish Equitable Fund Mgrs. Ltd.

Scottish Life Investments

Scottish Mutual Investment Managers Ltd.

Scottish Provident Inv. Mgt. Ltd.

Scottish Unit Managers

Scottish Widows' Fund Management

Standard Life Trust Mngt. Ltd.

Stewart, Ivory Unit Trust Mgrs Ltd.

Sun Alliance Fund Management Ltd.

Sun Life Trust Mgmt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd.

S & Target Fund Mgrs Ltd

Target Trust Mngrs. Ltd.

Temple Bar Unit Trust Mgrs Ltd

Touche, Remnant Unit Trust Mngt. Ltd.

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. Co.

Tyndall Managers Ltd.

Unit Trust Account & Mgmt. Ltd.

Vanguard Trust Managers Ltd

Wardley Unit Trust Managers Ltd

Waverley Asset Management Ltd

WestAvon Unit Trust Managers Limited

Whittingdale Unit Trust Managers

Wright Seligman Fund Managers Ltd.

INSURANCES

AA Friendly Society

Abbey Life Assurance Co. Ltd.

Aetna Life Insurance Co. Ltd.

Albany Life Assurance Co. Ltd.

Allied Dunbar Assurance PLC

Ambassador Life Ass. Co. Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

British National Life Assurance Co. Ltd

Canada Life Group

Cannon Assurance Ltd.

Chieftain Assurance Funds

City of Edinburgh Life Assurance

City of Westminster Assurance

Clerical Medical/Fidelity International

Clerical Medical Managed Funds Ltd.

Colonial Mutual Group

Commercial Union Group

Confederation Life Insurance Co.

Continental Life Insurance PLC

Cornhill Insurance PLC

Credit & Commerce Life Ass. Ltd.

Criterion Assurance Group

Crown Financial Management Ltd.

Crusader Insurance PLC

Dominion Financial Management

Eagle Star Insur/Midland Assur.

Equitable Life Assurance Society

Equity & Law

Family Assurance Society

Federation Mutual Insurance Ltd.

Framlington Life Insurance Ltd.

Friends' Provident Life Office

G.T. Management Ltd.

General Accident Linked Life Assurance

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. PLC

Gresham Unit Assurance Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Imperial Life (UK) Ltd.

Irish Life Assurance Co. PLC.

The LAS Group

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Liberty Life Assurance Co Ltd

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Aberdeen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd

London Life

London & Manchester Group

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd.

National Mutual Life

National Mutual of Australasia

National Provident Institution

New Zealand Insurance PLC

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd.

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provident Life Assoc of London Ltd

Provident Mutual Life Assc. Assn.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

Save & Prosper Group

Schroder Life Insurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

INSURANCE, OVERSEAS & MONEY FUNDS

Scottish Life Investments
19 St Andrew Square, Edinburgh. 031-225 2211

Property	105.2	110.7		-
UK Equity	119.1	125.4	-0.7	-
American	135.5	142.7	-0.1	-
Pacific	101.0	106.4	+0.6	-
European	120.2	126.6	+1.1	-
International	116.2	122.4	+0.3	-
Fixed Interest	101.8	107.2	-0.3	-
Index Linked	100.9	106.3	+0.4	-
Deposit	103.1	108.6		-
Managed	111.6	117.5	+0.1	-
Pens. Property	109.2	115.1	+0.1	-
Pens. UK Equity	123.8	130.4	-[illegible]	-
Pens. American	143.0	150.7	-0.7	-
Pens. Pacific	103.8	108.5	+0.6	-
Pens. European	125.1	131.7	+1.1	-
Pens International	121.2	127.7	+0.3	-
Pens. Fixed Int	105.1	110.7	-0.2	-
Pens. Index Linked	103.8	109.4	+0.5	-
Pens Deposit	108.8	114.6	+0.1	-
Pens. Managed	115.8	122.0	+0.1	-

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow. 041-248 6321

Flex End June 18	617.2	636.5		-
Pen Mngd May 31	422.4	436.5		-

Scottish Mutual Investments
109 St Vincent St., Glasgow. 041-248 6321

Safety Fund	94.1	99.1	+0.2	-
Growth Fund	93.6	98.6	-0.2	-
Opportunity Fund	91.6	96.5	+0.7	-
Cash Fund	95.6	100.7		-
European Fund	97.7	102.9	+0.8	-
Gilts & Fxd Int Fund	96.9	102.1	-0.3	-
Index-Linked Fund	95.7	100.8	+0.7	-
International Fund	94.7	99.7	+0.4	-
North American Fund	94.1	99.1	+0.2	-
Pacific Fund	93.8	98.8	+0.6	-
Property Fund	95.7	100.8	+0.1	-
UK Equity Fund	89.8	94.6	-1.1	-
UK Smaller Cos. Fund	91.3	96.2	-0.2	-

Sun Life Unit Assurance Ltd.
St James Barton, Bristol BS99 7SL. 0272 426911

Managed Acc	314.0	330.6	-0.9	-
Property Acc.	196.8	207.2		-
Equity Acc	427.3	449.8	-3.1	-
Fixed Interest Acc.	182.3	191.9	-0.4	-
Index-Linked Acc.	104.0	109.5	+0.5	-
Cash Acc	166.6	175.4		-
American Equity Acc.	179.5	109.0	+0.1	-
U S. Bonds Acc	108.6	114.4	+0.2	-
Japan Acc.	112.9	118.9	+0.1	-
Pacific Acc.	104.7	110.3	+0.4	-
Far Eastern Acc	238.5	251.1	+0.4	-
International Acc	226.9	238.9	+0.3	-
U S. Dollar Acc.	102.4	107.4	-0.1	-
Yen Acc.	95.8	100.9		-
European Currency Acc.	94.7	99.7	+0.2	-
Distribution	141.3	148.8	-0.3	10.14

Sun Life Pensions Management Ltd
(Units for individual pension contracts)

Pens. Managed Acc.	313.0	329.5	-0.6	-
Pens. Property Acc.	160.4	168.9		-
Pens. Equity Acc.	391.2	411.8	-2.0	-
Pens. F. Interest Acc.	173.3	182.5	-0.3	-
Pens. Ind. Lnkd. Acc	106.1	111.7	+0.5	-
Pens. Cash Acc.	169.1	178.0	+0.1	-
Pens. Amer. Equity Acc	148.6	156.5	+0.4	-
Pens. U.S. Bonds Acc	122.7	129.2	-0.2	-
Pens. Japan Acc.	118.1	124.4	+0.2	-
Pens. Pacific Acc.	125.3	131.9	+1.0	-
Pens. Far Eastern Acc.	356.6	375.4	+1.5	-
Pens. Internat. Acc.	299.3	315.1	+1.0	-
Pens. U.S. Dollar Acc.	107.7	113.4	-0.1	-
Pens. Yen Acc.	99.0	104.3	-0.1	-
Pens. Euro. Curr. Acc.	93.9	98.9	+0.2	-

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks. 0732-450161

Equity	£171.42	176.72		-
Fixed Int.	£129.87	136.52		-
Index Linked	£109.06	109.60		-
Property	£137.28	141.52		-
Cash	£119.10	119.10		-
Mixed	£160.21	165.16		-
International	£127.98	131.93		-

Next sub day July 3

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Money Market Trust Funds

The Charities Deposit Fund
77 London Wall, London EC2N 1DB 01-588 1815

The Money Market Trust
63 Qn Victoria St, EC4N 4ST 01-236 0952

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE

Money Market Bank Accounts

Adam & Co. plc
22 Charlotte Sq. Edinburgh, EH2 4DF 031 225 8484

Aitken Hume
30 City Road, EC1Y 2AY 01-638 6070

Bank of Scotland
38 Threadneedle St, EC2P 2EH 01-628 8060

Barclays Prime Account
PO Box 125, Northampton 0604 252891

Britannia Investment Services Ltd.

designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	26	Midland Bk.	39
BAT	32	NEI	9
BOC Grp.	25	Nat West Bk.	60
BSR	16	P & O Dfd	36
BTR	52	Plessey	17
Babcock	14	Polly Peck	26
Barclays	48	Racal Elect.	23
Beecham	32	RHM	11
Blue Circle	45	Rank Org Ord.	32
Boots	25	Reed Intnl	58
Bowaters	20	Sears	8
Brit Aerospace	33	TI	30
Brit. Telecom	11	Tesco	29
Brown (J.)	3	Thorn EMI	35
Burton Ord	39	Trust Houses	15
Cadburys	14	Turner Newall	10
Comm Union	19	Unilever	85
Courtaulds	$12\frac{1}{2}$	Vickers	19
Debenhams	$17\frac{1}{2}$	**Property**	
Distillers	28	Brit Land	12
Dunlop	6	Cap Counties	18
FNFC	$8\frac{1}{2}$	Land Secs.	25
Gen Accident	45	MEPC	28
Gen Electric	17	Peachey	22
Glaxo	85	Samuel Props	14
Grand Met	25	**Oils**	
GUS 'A'	60	Brit Oil & Min	4
Guardian	60	Brit Petroleum	42
GKN	17	Burmah Oil	18
Hanson Tst.	$17\frac{1}{2}$	Charterhall	6
Hawker Sidd.	38	Premier	5
Hse of Fraser	30	Shell	60
ICI	63	Tricentrol	16
'Imps'	18	Ultramar	19
Jaguar	28	**Mines**	
Ladbroke	24		
Legal & Gen	50	Charter Cons	18
Lex Service	28	Cons Gold	44
Lloyds Bank	45	Lonrho	14
Lucas Inds	25		
Marks & Spencer	11	Rio T Zinc	56

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

EEC maintains hard line on sugar export subsidies

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Commission last night claimed that its bard line on sugar export subsidies had been vindicated wben traders took up offers at the weekly tender for 113,000 tonnes of white sugar — more than double the average for this time of year.

The successful tender follows a complete halt to sales last week when the EEC management committee refused to follow the world prices down by increasing their export restitutions, which are used to bridge the gap between the EEC guarantee price and the world market price.

It is understood that the high level of acceptances for this week's Ecu 45.229 a tonne offer can be accounted for by traders being forced to enter the market through prior committments to deliver shipments. However, the Commission believes that its refusal to increase the level of subsidy has also bad a "marginal effect" on drawing bids.

The Commission is insistent that it will maintain the ceiling on restitutions for some time, perhapo until the end of August.

The Commission action has put an uncomfortable squeeze on the sugar trade, some of whom have been making contracts with clients without first obtaining the cover of export certificates.

The EEC's sugar traders' association, Assuc, is reported to have telexed the Commission during the week to say that it would be making bids at the weekly tender meeting to meet commitments, even though these might involve loss-making deals.

There were no offers yesterday for raw sugar. Commission calculations suggest that successful tenders would only be made if the export refund were raised to the level of the Community intervention price —a move it refuses to make.

Normal sales for this time of year for white sugar are around 50,000 tones a week. Yesterday's successful tenders therefore cover only marginally more than might be expected in a fortnight, and no one was prepared to venture a gueos as to the outcome of next week's tender.

Our Commodities Editor writes: London sugar traders wera surprised at the large amount of sugar authorised for export by the EEC. One merchant admitted candidly: "The Commission has caught traders on the hop and made them suffer."

In the morning before the result of the EEC tender was known the London daily price for raw sugar was cut by $2 to $82 a tonne, the lowest level since August last year.

After news of the unexpectedly high EEC exports, futures prices initially fell back but then rallied to close slightly higher.

Coffee slips to 19-month low

By Our Commodities Editor

COFFEE PRICES fell sharply on the London Robusta futures market yesterday continuing the recent slide that has taken values to the lowest level since November 1983. The September futures position closed £37.5 down at £1,844 a tonne after reaching £1,899 in early trading.

The market ignored the fact that the recent fall in values will almost certainly trigger today a cut of 1m bags (of 60 kilos each) in the export quotas permitted by the International Coffee Organisation. Traders feel that any cut in quotas will not bave any immediate effect in a market where there are more than ample supplies available at present.

Reuter reported from Rio de Janeiro that the Brazilian Coffee Institute is expected to announce a cut in its minimum export price for green coffee of 5 cents to 1.17 cents a lb.

● THIS YEAR'S decline in vacant possession farm land prices in England and Wales continued in May taking the March/May average to £4,128 a bectare, the lowest level since July/September 1982.

The weighted average price, whicb allows for area and size group variations in the sample was also well down at £4,237 a bectare, compared with £4,420 in February/April and £4,927 in January/March.

● U.S. CRUDE oil stocks plunged by 7.2m barrels in an otherwise uneventful week, according to the American Petroleum Institute (API).

Stocks of crude oil stood at 342.8m barrels, about 15.2m barrels below levels for the same week in 1984. A marginal increase io petrol stocks oligbtly narrowed the recent wide gap between 1984 and 1985 levels. Last week the U.S. had 216.8m barrels on hand, compared with 249.9m barrels a year ago.

Imports of crude oil were 2.6m barrels, showiog little change over the week. Stocks of distillate fuel oil continue to lag bebind 1984 figures at 41m barrels, 4.3m barrels below last year's levels.

Patti Waldmeir on Ghana's bid to revive its main export sector

Reviving the prospects for cocoa

FOR MOST of the past 15 years frustration has been a way of life for Ghana's cocoa farmers, ooce among the richest and most powerful social groups in the country.

By the early 1980s, wbcn cocoa farmers' fortunes reached their nadir, real producer prices were only a fraction of the levels of the 1960s; payment delays were appalling; and farm inputs were in critically short supply. Furthermore evacuation of beans from the more remote up-country areas had become virtually impossible due to lack of transport and the collapse of the physical iofrastructure.

Since 1982, Ghana's revolntionary government has set out to tackle the legacy of farmer mistrust and physical deterioration inherited from previous governments. It launched a cocoa sector rehabilitation programme which bas earned higb praise, and large injections of cash, from multilateral and bilateral donors. The programme includes large real producer rises; staff retrenchment at the Cocoa Marketing Board; privatisation of some Board services and subsidiaries; a decrease in subsidies; and infrastructure improvements.

Before increases in non-traditional exports can begin to take the pressure off cocoa a significant rise in cocoa exports, which still earn 60 per cent of Ghana's foreign exchange, is imperative to ease the precarious balance of payments situation.

Cocoa has played a major role in fuelling Gbana's inexorable economic decline over the last 20 years. Marketing Board purchases fell from an average 425,000-450,000 tonnes a year in the 1960s and 1970s to a low of 158,000 tonnes in 1983-84. Foreign exchange earnings from cocoa actually rose substantially in 1984, due to higher world priceo, but the pace of recovery from these painfully depressed levels is proving much slower than expected.

In 1983, when the programme was lauoched, the Government and the World Bank were predicting a recovery in output to 300,000 tonnes a year by 1985-86. This is now seen as out of the question sod the Cocoa Board is projeeting that production will rise by only about 10-15 per cent a year for the next few years.

Some independent estimates suggest that even this forecast is too optimistic. According to an assessment by the Internatiooal Cocoa Organisation (ICCO) in Jannary last year production will be only 163,000 tonnes in 1989-90.

So far the effects of the Board'o new approach are difficult to gauge. The 1984-85 main crop is estimated to be 10-20 per cent more than the previous year's 153,000 tonnes — a psychologically important reversal of the uninterrupted decline since 1980. But this could easily be the result of good rains following the drought and busb fires of 1982 and 1983.

Flt-Lt Joe Atiemo, deputy chief execntive of Ghana Cocoa Board, points to other improvements as well:

● Producer prices: Prices bave increased from C12,000 a tonne in 1982 to C30,000 ($348) from this year's main crop, only just keeping pace with the devaluation of the cedi. In May the price was increased again to C56,000 for this year's mid-crop, a large real increase which means the farmer now receives 50 per cent of the world market price. The price is still not higb eoougb, however, to encourage the re-planting of trees more than balf of which are upwards of 30 years old and rapidly declining in productivity.

● Payment: The introduction of a cheqne system for payments has dramatically improved the lot of the farmer. Previously Cocoa Board purchasing clerks at village level held farmers to ransom by issuing chits in lieu of cash. The clerks kept the money and even turned to money-lending, using the chits as collateral The cheque system has wiped out this racket.

● Representation: Farmers now bave representatives among the Cocoa Board's directors and are consulted during price negotiations.

● Consumer goods: An estimated 300,000 farmers have so far benefited from the Cocoa Board's programme of transporting previously scarce basic consumer goods to remote villages and selling them at cost.

● Smuggling: Estimates of production lost annually through smuggling to neighbouring Ivory Coast and Togo (where returns are higher) ranged from 30,000 to 50,000 tonnes. Anti-smuggling patrols have stemmed the flow, which is now reckoned to be between 10,000 and 20,000 tonnes a year.

● Privatisation: Flt-Lt Atiemo says the use of private hauliers alongside Cocoa Board vehicles to take cocoa from inland collection centres to the ports has significantly increased the speed and efficiency of exercise this year.

● Retrenchment: By September, the Cocoa Board staff will have been cut by some 50,000 from 120,000 in 1982.

Perhaps most important, the Government is giving the industry the political direction which it has lacked for at least the past decade. Chances appear good that the industry has at last bottomed-out, but how soon this will lead to the increase in foreign exchange earnings which Ghana so desperately needs remains to be seen.

Indian grain stocks reach record level

NEW DELHI — India's wbeat and rice stocks rose to a record 28m tonnes on July 1 and are expected to riae further to 30m by November, Food Minister Mr Rao Birendra Singh aaid bere. He gave no comparative figure.

The ministry's 1984-85 (April/March) report said the country's highest foodgrain stocks were 22.61m tonnea on January 1 this year, against 15.58m a year ago.

Mr Singh said stocks will grow with rice crops to be harvested in October and may jump to 35m tonnes or more by June 1986 when wbeat harvesting will be completed.

The Government faces storage difficulties as warehouses around the country can only store up to 20m tonnes. The rest of the grains are kept under plastic sheets in the open, he said.

Reuter.

European pricing limits materials for chemicals

BY JOHN DAVIES IN FRANKFURT

THE EUROPEAN chemical industry could use 10 times as much sugar as at present as a raw material if it could get supplies at competitive prices, according to Professor Heinz-Gerhard Franck, president of the West German Chemical Industry Association.

This would mean that chemical companies would buy more than 500,000 tonnes of sugar a year, he said.

Similarly, the industry could increase its usage of grain starch from 400,000 tonnes to more than 1m tonnes a year if it could get supplied at world market prices, be added.

Professor Franck said that European Community pricing regulations so far had hindered increased use of these materials in the chemical industry, which needed supplies at world market prices in order to remain internationally competitive itself.

Prof Franck's remarks come against the background of intensive lobbying by the chemical industry to gain access to EEC sugar at world market prices.

The European Commission recently proposed that the industry should be able to use non-quota or "C" sugar at world market prices. However, some countries, including the UK, are pressing for access to subsidised quota sugar as well.

The Commission is currently redrafting its ideas, and farm ministers will discuss them, along with the Commission's proposals for a new five-year sugar regime and a new starch regims in coming months.

An executive at ICI in the UK said at a biotechnology conference in Geneva earlier this year that the amount of sugar used by the European chemical industry had been falling in recent years

Profit-taking hits zinc values on London market

BY JOHN EDWARDS, COMMODITIES EDITOR

ZINC VALUES tumbled on the London Metal Exchange yesterday as heavy profit-taking selling emerged in a market already weakened by the rise in the value of sterling. Cash zinc dropped by £28.5 to £583 a tonne, while the three months quotation closed £24 down at £568.5 falling to £565 in late kerb trading.

Traders sai dthat the failure of the three months price to breach £600, in spite of output cuts announced by several leading producers, triggered off some heavy selling that accelerated as stop-loss orders were triggered off. The decline was viewed as a normal reaction after the recent upsurge in the market.

Nickel also came under heavy selling pressure, particularly on spot supplies, which drove the cash price down by £127.5 to £3,917.5 a tonne. The three months quotation was £95.5 lower at £3,957.

Trading in the tin market remained subdued.

Canada to cancel fish treaty with Spain

BY BERNARD SIMON IN TORONTO

CANADA is to cancel its 1976 fishing treaty with Spain amid tensions over the activities of Spanish trawlers off Canada's east coast.

Two Spanish vessels, suspected of over-fishing within Canada's 200-mile economic zone, were boarded by Canadian police last week and escorted to St John's, Newfoundland, where the captains face charges of illegal fishing.

Another two trawlers, which took refuge in the French possession of St Pierre, arrived in St John's yesterday under armed escort.

Thn fisheries Department in Ottawa said that the treaty with Spain "does not serve any useful purpose. It has not in recent years proved possible to implement the quota, trade and conservation provisions of the treaty." The agreement will lapse in June 1986.

The two countries bave been at loggerheads over fishing rights since 1981

LONDON MARKETS

BASE METALS

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	709.5-6.5	—2	—
6 months	782-.5	—2.25	787.5/781

Official closing (am): Cash 765-6 (762-3), three months 787-.5 (784-5), settlement 766 (763). Final Kerb close: 784-5. Turnover: 12,825 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/Low
Cash	1083-0	—	1088/1085
Three m'nths	1091.5-2	+.5	1091.5/1087

Official closing (am): Cash 1,083-.3 (1,088-5-7), three months 1,090-.3 (1,096-7), settlement 1,083.5 (1,089). Final Kerb Close: 1,091.5-92.

Cathodes			
Cash	1062-3	—7.5	1062/1062
Three m'nths	1075-7	—4	—

Official closing (am): Cash 1,062-3 (1,076-7), three months 1,074-6 (1,084-5), settlement 1,063 (1,077). Turnover: 41,125 tonnes. U.S. Producer prices 64.50/68 cents per lb.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	300-1	—0	303/302
3 months	303-.3	—0.6	303.5/303

Official closing (am): Cash 302.5-3 (306-7), three months 303-5 (305-5), settlement 3 03 (307). Final Kerb close 302.5-3. Turnover: 3,725 tonnes. U.S. Spot: 18.50/21 cents per lb.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	3915-20	—127.5	[illegible]
3 months	3955-8	—95.5	[illegible]

Official closing (am): Cash 3,950-60 (4,052-5), three months 3,985-60 (4,055), settlement 3,960 (4,055). Final Kerb close: 3,960-70. Turnover: 1,584 tonnes.

TIN

High grade	Unofficial close (p.m.) £ per tonne	+ or —	High/low for day
Cash	9605-10	+32.5	9880/9830
3 months	9430-50	—10	—

[illegible]

ZINC

	Unofficial close (p.m.) £ per tonne	+ or —	High/low
Cash	582-4	—28.5	—
3 months	568-9	—24	585/565

[illegible]

MAIN PRICE CHANGES

(In tonnes unless otherwise stated.)

METALS	July 3 1985	+ or —	Month ago
Aluminium	£1100	......	£1100
Free Mkt	$1025/055	......	$1085/116
Copper			
Cash h Grade	£1084	......	£1146
6 mths	£1081.75	+0.6	£1116.25
Gold troy oz	$310.6	+1.6	$315
Lead Cash	£300.0	—6	£301
3 mths	£305.25	—0.5	£304.25
Nickel			
Free Mkt	240/270c	......	250/280c
Palladium oz	$93.60	......	$100.00
Platinum oz	$258.75	+1.85	$264.35
Quicksilver†	$280/290	......	$293/300
Silver troy oz	461.00p	—6.45	478.50p
3 mths	464.50s	—0.35	498.80p
Tin cash	£9607.5	+54.5	£9895
3 mths	£9413	—11.5	£9550.5
Tungsten	$72.75	......	$70.00
Wolfram 22 04lb	$56/60	......	$61/66
Zinc	£583	—28.5	£605.25
3 mths	£568.0	—24	£616.25
Producers	$880	......	$980

OILS	July 3 1985	+ or —	Month ago
Coconut (Phil)	[illegible]		[illegible]
Palm Malayan	[illegible]		[illegible]
SEEDS			
Copra Phil	$330z		$370
Soyabean (U.S.)	$225.8w	+1.6	$892.2
GRAINS			
Barley Fut. Sept	£96.50		£98.25
Maize	£146.00		£147.60
Wheat Fut. Sept	£97.45	—0.1	£98.40
No. 2 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. Sept.	£1764.5	+28	£1752.6
Coffee Ft. Sept.	£1844	—37.5	£2093.6
Cotton A Index	62.10c	—0.0	60.65c
Gas Oil Aug.	$214.25	+2.75	$213.6
Rubber (kilo)	66p	......	64p
Sugar (raw)	$82z	—2	$84.6
Wooltops 64s	457p kilo	......	480p kilo

‡ Unquoted. u Aug. x Aug-Sept. w Sept. z July-Aug. † Per 76 lb flask. c Cents per pound.

INDICES

FINANCIAL TIMES

July 2	July 1	M'th ago	Year ago
276.36	276.04	281.18	296.23

(Base: July 1 1952 = 100)

REUTERS

July 3	July 2	M'th ago	Year ago
1763.6	1741.0	1806.2	1212.8

(Base: September 18 1931 = 100)

MOODY'S

May 14	May 13	M'th ago	Year ago
221.9	920.2	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	July 2	July 1	Month ago	Year ago
Spot	116.73	113.38	—	135.34
Fut.	116.72	116.79	—	134.05

(Base: December 31 1974 = 100)

OIL

Fed traders were active in the crude market, Nymex opened 4c up and traded 2c up at 1pm EST. In the petroleum products market, gas oil and naptha firmed. Sellers raised their sights in the face of good prompt buying interest which, in turn, strengthened forward prices. Heavy fuel was stable and unchanged—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—July		
Arab Light	26.50-26.70*	—
Arab Heavy	24.85-25.05*	—
Dubai	25.18-25.25*	+0.05
Brent Blend	26.70-26.80	+0.25
W.T.I. (1pm est)	26.80-27.00*	+0.175
Forcados (Nigeria)	26.50-26.60	—
Urals (cif NWE)	26.50-26.60	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	251-253	—
Gas Oil	217-216	+1
Heavy fuel oil	127-129	—
Naphtha	250-253	+4

*August

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
July	213.00	+2.50	216.00-15.75
Aug	214.96	+2.75	214.75-12.75
Sep	216.70	+2.25	213.75-12.50
Oct	214.25	+1.25	214.50-14.25
Nov	219.20	+1.75	216.25-16.25
Dec	218.50	+2.00	—
Jan	218.50	+1.50	—

Turnover: 1,381 (752) lots of 100 tonnes.

GOLD

Gold rose $1½ on the London bullion market to $310¼-310¾. It opened at $310-310½, and was fixed at $310.40 in the morning and $310.95 in the afternoon. The metal touched a peak of $310½-311 and a low of $308-309¾. Trading was subdued, with most activity the result of squaring positions ahead of today's U.S. Independence Day holiday.

GOLD BULLION (fine ounce) July 3

Close	$310¼-310¾	(£236¾-237¼)
Opening	$310-310½	(£237¼-237¾)
M'n'g fix.	$310.40	(£237.464)
Aft'n'n fix.	$310.95	(£238.726)

GOLD AND PLATINUM COINS

Kr'g'r'nd.	$318½-310¼	(£242½-243¼)
½ Krug.	$164¼-165½	(£126½-120)
¼ Krug.	$84-84¾	(£64-64½)
1/10 Krug.	$34¼-35	(£26-26¾)
Mapleleaf	$320¼-321	(£244-244½)
New Sov.	$73½-74¼	(£56-56½)
½ New Sov	$44-44¾	(£30½-34)
Old Sov.	$75-76½	(£57¼-58½)
$20 Eagle	$450-490	(£349¾-370¼)
Noble Plat	$264½-267½	(£202½-205)

SILVER

Silver was fixed 0.45p an ounce lower for spot delivery in the London bullion market yesterday at 451p. U.S. cent equivalents of the fixing levels were: spot 588.75c, down 5.1c; three-month 599.35c, down 6.05c; six-month 611.05c, down 0.2c; and 12-month 636.25c, down 6.1c. The metal opened at 453½-456½p (593-596c) and closed at 451-454p (591-594c).

SILVER per troy oz	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	451.00p	—5.45	442.5p	—2
3 months	[illegible]	[illegible]	[illegible]	[illegible]
6 months	[illegible]	[illegible]		
12 months	[illegible]	[illegible]		

[illegible]

GRAINS

July wheat recorded a contract low of £110.50 on lack of physical support before rallying on profit-taking. New crops were a little easier on country selling but remained in a narrow range with barley finding shipper support, reports Muirpace.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 102.50, N. East 108.40, Scotland 109.30. The UK monetary coefficient for the week beginning Monday July 8 will remain unchanged at 0.984.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
July	112.00	—0.25	—	—
Sept.	97.45	—0.10	96.60	—
Nov	100.75	—0.15	100.38	—0.10
Jan	104.23	—0.25	100.90	—0.05
Mar	107.46	—0.20	105.20	—0.15
May	110.20	—0.05	109.60	—0.15

Business done—Wheat: July 112.00-10.50, Sept 97.65-7.45, Nov 100.90-0.75, Jan 104.50-4.30, March 107.55-7.50, May 110.95-10.90. Sales: 127 lots of 100 tonnes. Barley: Sept 96.60-6.45, Nov 100.40-0.35, Jan 104.00 only, March and May untraded. Sales: 88 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 15 per cent: July 135.80, Aug 134, Sept 133.75, Oct 139.15, sellers, transhipment East Coast. U.S. No. 2 Soft Red Winter Aug 123, Sept 125.25, Oct 125.75, sellers. EEC July 115 seller. English feed, fob: Aug/Sept 98, Sept 98.50, Oct/Dec 103, Jan/March 109.50, sellers, East Coast. Maize: U.S. No. 3 Yellow/French, transhipment East Coast: July 145 sellers. Barley: English feed, fob: first-half July/first-half Aug 97, second-half July/second-half Aug 96.50, Aug 96.50, Sept 96.50, Oct 100, Oct/Dec 103, Jan/March 109, sellers, East Coast. Rest unquoted.

RUBBER

The London physical market opened lower, continued to fall throughout the day and close on an easier note, reports Lewis and Peat. Closing prices [illegible]

COFFEE

[illegible]

COCOA

After opening about unchanged futures moved sharply higher on active trade and commission house buying. Producers took advantage of the rally to trade new crop positions on a scale-up basis while consumers, anticipating the mood of the market, made early purchases at the beginning of a busy day, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
July	1790-1800	+36.5	1811-1757
Sept.	1764-1765	+28.0	1768-1735
[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

SUGAR

LONDON DAILY PRICE—Raw sugar $82.00 [illegible]

SOYABEAN MEAL

[illegible]

FREIGHT FUTURES

[illegible]

PIGMEAT

[illegible]

MEAT

[illegible]

COTTON

[illegible]

U.S. MARKETS

GOLD AND SILVER remained steady as most U.S. traders took to the sidelines ahead of the Opec meeting and the U.S. holiday, reports Heinold Commodities. Sugar remained steady on the lack of reaction to the EEC selling tender. The lack of significan pick-up in Brazilian arrivals firmed cocoa values. Coffee came under pressure on large stocks in New York and reports that Brazil was considering a reduction in the minimum export price. Cotton steadied awaiting next week's plantings report. Maize declined on professional bull-spreading between July and new crop futures. Wheat lost ground as the winter wheat harvest moved rapidly north and steady commercial hedging pressed the market. Chicago terminal receipts of new crop shipments also attracted broad selling. Soyabeans were mixed on bull-spread activity involving the July future, with lower and meal higher on active export inquiries. Heating oil traded higher on a constructive API report and on Opec denials of rumours that production quotas and prices would be cut.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
July	43.95	—	—	43.65
August	44.25	—	—	43.95
Sept	44.55	44.55	44.35	44.25
Dec	45.55	45.50	45.35	45.25
Jan	45.95	—	—	45.60
March	46.50	46.35	46.35	46.25
May	47.20	—	—	46.95
July	47.90	—	—	47.65
Sept	48.60	—	—	48.35
Jan	50.00	—	—	49.75

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	60.56	61.25	60.66	61.07
Oct	61.15	61.35	61.05	61.46
Dec	61.32	61.47	61.22	61.54
March	62.35	62.42	62.21	62.50
May	62.59	62.48	62.48	62.70
July	62.42	62.48	62.28	62.61
Oct	58.56	58.90	58.55	58.45
Dec	58.30	58.35	57.95	58.05

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
August	26.94	27.04	26.90	26.94
Sept	26.29	26.38	26.21	26.26
Oct	25.84	25.96	25.75	25.86
Nov	25.56	25.65	25.51	25.55
Dec	2.31	25.38	25.23	25.26
Jan	24.95	25.05	24.95	24.94
Feb	24.75	24.82	24.74	24.67
March	24.60	24.63	24.60	24.46

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
July	309.9	310.0	310.0	309.8
August	311.4	312.5	310.8	311.4
Sept	313.0	—	—	313.0
Oct	314.7	315.5	314.0	314.7
Dec	318.5	319.5	317.8	318.5
Feb	322.5	323.3	322.6	322.5
April	326.5	326.8	325.7	326.5
June	330.9	331.5	331.6	330.9
August	335.3	—	—	335.3
Oct	339.9	—	—	339.9
Dec	344.5	—	—	344.5
Feb	349.6	—	—	349.5
April	354.7	—	—	354.7

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
August	67.70	68.25	67.50	67.72
Sept	68.25	68.60	67.90	68.05
Oct	69.10	69.45	69.05	68.82
Nov	69.60	70.10	69.80	69.60
Dec	70.65	70.70	70.15	70.30
Jan	71.05	71.05	70.60	70.70
Feb	70.50	—	—	70.35

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	140.40	142.25	140.25	140.50
Sept	137.00	137.75	136.50	137.15
Nov	134.80	136.80	134.10	134.80
Jan	133.20	133.00	133.00	133.45
March	133.20	133.60	133.60	133.45
May	133.20	—	—	133.45
July	133.20	—	—	133.45
Sept	133.20	—	—	133.45
Nov	133.20	—	—	133.45

COCOA 10 tonnes, $/tonnes

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

[illegible]

COFFEE "C" 37,500 lb, cents/lb

[illegible]

COPPER 25,000 lb, cents/lb

[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

[illegible]

LIVE HOGS 30,000 lb, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

[illegible]

SPOT PRICES—Chicago loose lard [illegible]

OTHER MARKETS

WOOL FUTURES

SYDNEY GREASY WOOL—Close [illegible]

ROTTERDAM

WHEAT—(U.S. $ per tonne) U.S. No. [illegible]

PARIS

SUGAR—(FFr per tonne): [illegible]

COCOA—(FFr per 100 kg): [illegible]

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sluggish growth hits dollar

The dollar drifted lower in quiet trading, ahead of today's Independence Day holiday in the U.S. Major financial centres will be closed in the U.S. and this led to squaring of positions before the holiday, and the U.S. unemployment figures on Friday. This data is expected to confirm sluggish growth in the economy, and has once again given rise to speculation about a cut in the Federal Reserve's discount rate. As a further guide to the current economic performance it was noted that May durable goods orders were revised down to a 3.2 per cent rise from 4.1 per cent on Tuesday, increasing expectations that second quarter GNP growth will be revised down on July 18. In New York Federal funds rose to 8½ per cent after the Federal Reserve failed to add reserves to the banking system, but this had little immediate impact on the dollar, which was then at its lowest level of the day at DM 3.0280.

At the close of London trading the dollar had fallen to DM 3.0340 from DM 3.0450 — FFr 9.2375 from FFr 9.27 — SwFr 2.5420 from SwFr 2.5470; and Y248 from Y248.80.

On Bank of England figures the dollar's index declined to 143.7 from 144.3

STERLING — Trading range against the dollar in 1985 is 1.3120 to 1.0525. June average 1.2813. Exchange rate index rose 0.4 to 81.3, the highest level of the day. It opened at 81.1 and touched a low of 81.0 at noon.

Sterling continued to be the main beneficiary from any move away from the dollar. Recent comments from the Chancellor of the Exchequer and the Bank of England have indicated that London interest rates will remain high for some time. This has countered any hopes that next Tuesday's UK money supply figures will be good enough to produce lower bank base rates, and is also overriding any nervousness about oil prices ahead of tomorrow's Opec conference. The pound rose ¾ cent to $1.3115-1.3125, the highest level since late August last year, and improved to DM 3.9825 from DM 3.925, the highest since mid-November 1983. Sterling also climbed to FFr 12.11 from FFr 12.0850; SwFr 3.3350 from SwFr 3.3225; and Y325.25 from Y324.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9738. June average 3.0639. Exchange rate index 122.0 against 120.1 six months ago.

The D-mark improved slightly against the dollar in dull trading. The U.S. currency closed at DM 3.0355 in Frankfurt, compared with DM 3.0460 on Tuesday. Turnover was low, ahead of tomorrow's holiday in the U.S., as the dollar fell to a low of DM 3.0280 before the close, on an easing of the Federal funds rate in New York. Earlier in the day the Bundesbank did not intervene when the dollar was fixed at DM 3.0423, compared with DM 3.0540 previously. There is little expectation that the German central bank will cut its discount or Lombard rates at today's council meeting, but it is anticipated that Bundesbank will continue to encourage a gradual downward move in domestic rates.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu July 3	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian franc ...	44.9008	45.3105	+0.91	+1.14	±1.5471
Danish krone ...	8.14104	8.06980	−0.88	−0.65	±1.6419
German D-mark.	2.24184	2.25057	+0.39	+0.62	±1.1475
French franc......	6.87456	6.85283	−0.32	−0.09	±1.3669
Dutch guilder ...	2.52595	2.53606	+0.40	+0.63	±1.5171
Irish punt.........	0.72569	0.717641	−1.11	−0.88	±1.6673
Italian lira	1403.49	1432.56	+2.07	+2.07	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

	July 3	Prev. close
£ Spot	$1.3120-1.3130	$1.3070-3080
1 month	0.55-0.55 pm	0.55-0.52 pm
3 months	1.54-1.49 pm	1.01-1.48 pm
12 months	4.28-4.15 pm	4.15-4.05 pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

July 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3025-1.3140	1.3115-1.3125	0.56-0.53c pm	4.98	1.55-1.50pm	4.65
Canada	1.7670-1.7840	1.7780-1.7820	0.50-0.41c pm	3.07	1.42-1.27pm	3.02
Nethlnd.	4.46½-4.49½	4.48¾-4.49¾	2¼-2⅛c pm	0.02	6¾-6½pm	5.74
Belgium	79.76-80.60	80.05-80.15	29-24c pm	3.97	81-72pm	3.82
Denmark	14.20-14.29¼	14.28-14.29	3¼-2⅞ore pm	2.42	8⅞-7⅞pm	2.31
Ireland	1.2580-1.2680	1.2640-1.2650	0.32-0.16p pm	2.28	0.71-0.47pm	1.87
W. Ger.	3.96¼-3.98¾	3.97¾-3.98¾	2½-2⅛pf pm	7.34	7⅞-7pm	7.09
Portugal	226-230¾	228-230	225-560c dis	−20.57	575-1650dis	−18.56
Spain	226-228¾	227¾-228¾	20-45c dis	−1.71	135-180dis	−2.76
Italy	2,524½-2,538¾	2,532½-2,533½	par-3 lire dis	−0.71	6-10dis	−1.26
Norway	11.40¾-11.49	11.47-11.48	½ore pm-¼ dis	−0.19	½-1dis	−0.20
France	12.06½-12.13¾	12.10½-12.11½	2⅞-2c pm	2.23	5⅞-4⅞pm	1.75
Sweden	11.40¾-11.48¾	11.47-11.48	3¼-3⅞ore dis	−3.98	11¼-12¼dis	−4.12
Japan	323½-326	324¾-325¾	1.85-1.75y pm	3.64	5.15-4.95pm	3.21
Austria	27.80-28.05	27.98-28.02	15-13⅞gro pm	6.19	41⅞-37⅞pm	5.66
Switz.	3.31½-3.34	3.33-3.34	2⅞-2c pm	7.42	6⅞-5⅞pm	7.20

Belgian rate is for convertible francs. Financial franc 90.60-90.75. Six-month forward dollar 2.74-2.89c pm, 12-month 4.35-4.20c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

July 3	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3025-1.3140	1.3115-1.3125	0.56-0.53c pm	4.98	1.55-1.50pm	4.65
Ireland†	1.0295-1.0352	1.0330-1.0338	0.30-0.20c pm	2.91	0.80-0.65pm	2.81
Canada	1.3563-1.3675	1.3565-1.3575	0.20-0.23c dis	−1.90	0.55-0.60dis	−1.69
Nethlnd.	3.4135-3.4300	3.4195-3.4205	0.28-0.25c pm	0.93	0.95-0.92pm	1.09
Belgium	61.00-61.25	61.10-61.20	5½-6½c dis	−1.18	18-18½dis	−1.13
Denmark	10.86¼-10.91¼	10.88¼-10.88¾	2-2½ore dis	−2.48	5-5½dis	−1.93
W. Ger.	3.0280-3.0440	3.0335-3.0345	0.63-0.58pf pm	2.39	1.85-1.80pm	2.40
Portugal	173½-175	173¾-174¼	260-600c dis	−25.82	650-1400dis	−23.53
Spain	173.20-174.40	173.20-173.35	90-105c dis	−3.73	315-345dis	−7.58
Italy	1,930-1,940¼	1,930¾-1,931¼	9½-10 lire dis	−6.03	29¼-30dis	−6.11
Norway	8.73½-8.76¼	8.74¼-8.74½	9½-3½ore dis	−4.96	10½-11dis	−4.91
France	9.22-9.26½	9.23½-9.24	2.15-2.35c dis	−2.91	6.70-7.00dis	−2.96
Sweden	8.73¾-8.76¾	8.74¼-8.74¾	6¼-6⅞ore dis	−8.73	19-18⅞dis	−8.79
Japan	247.90-248.55	247.95-248.05	0.35-0.31y pm	1.60	0.98-0.93pm	1.54
Austria	21.28-21.38½	21.28-21.32	2½-1⅞gro pm	1.16	7-4½pm	1.08
Switz.	2.5355-2.5480	2.5415-2.5425	0.56-0.50c pm	2.50	1.66-1.60pm	2.56

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.45-61.55.

OTHER CURRENCIES

July 3	£	$		£ Note Rates
Argentina Austl.	1.0476-1.0494	0.8000-0.8100	Austria	27.80-28.10
Australia Dollar.	1.9546-1.9585	1.4930-1.4950	Belgium	80.10-80.90
Brazil Cruzeiro...	7,883 7,912	6 030 6,040	Denmark......	14.17-14.33
Finland Markka.	8.2370 8.2566	6.3040-6.3060	France	12.04-12.16
Greek Drachma.	176.00 178.80	134.00-136.80	Germany	3.96⅛-3.99½
HongKong Dollar	10.1590-10.1090	7.7810 7.7630	Italy	2020-2566
Iran Rial.........	120.80*	83 00*	Japan......	320-388
KuwaitDinar(KD)	0 3960 0.3970	0.30280-0.30290	Netherlands......	4.45¼ 4.49¼
Luxembourg Fr	80.60-80.75	61.10-61 20	Norway......	11.40-11.51
Malaysia Dollar	3.2630-3 2680	2.4930-2.4950	Portugal......	201-262
New Zealand Dlr.	2.7440 2.7015	2.0965 2.1030	Spain......	219-228
Saudi Arab Riyal	4.7630 4.7840	3.6509-3.6514	Sweden......	11.40 11.51
Singapore Dollar	2.9235-2.9285	2.2335-2.2355	Switzerland	3.30½-3.31½
Sth African Rand	2.5530 2.5940	1.9765-1.9800	United States......	1.29⅞-1.31½
U.A.E. Dirham....	4.8040 4.8110	3.6730-3.6730	Yugoslavia......	367-385

CURRENCY MOVEMENTS

July 3	Bank of England Index	Morgan Guaranty Change %
Sterling	81.5	−8.1
U.S. dollar......	143.7	+29.6
Canadian dollar, ..	88.2	−8.3
Austrian schilling.	112.8	+3.3
Belgian franc......	82.4	−11.2
Danish Kroner	77.0	−8.0
Deutsche mark......	122.0	+0.4
Swiss franc......	140.8	+7.9
Guilder......	119.7	+3.2
French franc......	68.2	−15.4
Lira......	46.8	−10.9
Yen......	166.8	+12.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

July 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.767190	0.565587
U.S. $......	7½	1.00073	0.740847
Canadian $	9.68	*	1.00461
Austria Sch.	4½	21.3866	15.8117
Belgian Fr...	9¼	61.3082	45.3105
Danish Kr ...	7	10.8199	8.06980
Dmark	4½	3.04462	2.25057
Guilder......	5½	N/A	2.53606
French Fr ...	9½	9.26986	6.85285
Lira.	15½	1939.99	1432.56
Yen......	5	248.551	183.682
Norway Kr...	8	8.76840	6.48197
Span'h Pta..	—	173.927	128.707
Swedish K...	1.6	8.76192	6.47975
Swiss Fr......	4	2.54766	1.88259
Greek Dr'ch	20½	136.479	100.118
Irish Punt ...	13¾	N/A	0.717641

* CS/SDR rate for July 1: N/A.

EXCHANGE CROSS RATES

July 3	Pound Sterling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.312	3.983	325.3	12.11	3.336	4.488	2555.	1.780	80.10
U.S. Dollar	0.762	1.	3.034	248.0	9.238	2.549	3.420	1931.	1.357	61.15
Deutschemark	0.251	0.329	1.	81.67	3.041	0.837	1.127	636.0	0.447	20.11
Japanese Yen 1,000	3.075	4.034	12.24	1000.	37.23	10.30	13.80	7788.	5.473	246.2
French Franc 10	0.826	1.083	3.289	268.0	10.	2.764	3.706	2089.	1.470	66.14
Swiss Franc	0.300	0.393	1.194	97.53	3.631	1.	1.346	759.8	0.534	24.02
Dutch Guilder	0.223	0.292	0.887	72.48	2.699	0.743	1.	564.6	0.397	17.85
Italian Lira 1000	0.395	0.518	1.572	128.4	4.701	1.317	1.772	1000.	0.703	31.62
Canadian Dollar	0.562	0.737	2.237	182.7	6.803	1.874	2.521	1423	1.	45.00
Belgian Franc 100	1.248	1.639	4.972	406.1	15.12	4.164	5.602	3162.	2.222	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

July 3	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term......	12¾ 13	8⅛-8¼	—	—	4-4½	—	10⅛-10¾	13-15	8⅝-8⅞	8¼-8⅝	—	9¾-10¼
7 days' notice ...	12¾-12⅞	7⅞-7⅞	9-9¼	6⅞ 6⅞	2¾-5	5⅞-5⅞	10⅛-10⅛	15-14	8¾-8	8⅝-8⅞	6⅛-6¼	10⅞-10¾
Month	12⅛ 12⅛	7⅞-7⅞	9⅛ 9⅛	6⅞ 6⅞	5⅛ 6¼	5⅞-5⅞	10⅛-10⅛	13⅝ 15⅞	8⅝ 8⅞	8⅝ 8⅞	6⅛-6¼	9⅞-10⅜
Three months......	12⅛-12⅝	7⅞-7⅞	9¼ 9⅛	6⅛-6⅝	5⅛-5⅛	5⅝-5¼	10⅛-10⅛	13⅝-14	8⅝ 8⅞	8⅝-8⅞	6⅛-6⅜	9¾ 10¼
Six months......	12⅛-12⅞	7⅞-7⅞	9⅛-9⅛	6⅛ 6⅝	5⅛-5⅛	5⅛-5⅛	10⅛-10⅛	15⅞-14¼	8¾ 9	8¾ 9	6⅞-6⅜	9¾-10¼
One year	12-12⅛	8⅛ 8⅛	9⅛-9⅛	6⅛-6⅝	5¼-5⅝	5⅛ 5⅝	11⅛-11⅛	14¼-14¾	9⅛-9⅜	9⅛-9⅜	6⅛-6⅛	9¾ 10¼

Asian $ (closing rates in Singapore): Short-term 8-8⅛ per cent; seven days 7⅞-7⅞ per cent; one month 7⅞-7⅞ per cent; three months 7⅞-7⅞ per cent; six months 7⅞-8 per cent; one year 8⅛-8⅛ per cent. Long-term Eurodollars: two years 9¼-9½ per cent; three years 9⅝-9⅞ per cent; four years 10-10¼ per cent; five years 10¼-10½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates little changed in quiet trading

Interest rates showed very little change in London yesterday. Trading was quiet and uneventful ahead of tomorrow's meeting of Opec Ministers and next week's UK money supply figures. Three-month interbank money was unchanged at 12⅛-12⅜ per cent and three-month eligible bank bills were bid at 12 per cent, also unchanged from Tuesday. Overnight interbank money dipped to 11 per cent at one point, having touched a high of 13¼ per cent and finished at 13 per cent.

UK clearing banks base lending rate 12½ per cent since June 12

The Bank of England forecast a shortage of around £1,150m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £546m and the unwinding of previous sale and repurchase agreements a further £191m. Exchequer transactions accounted for a further £240m and banks brought forward balances £85m below target. There was also a rise in the note circulation of £110m.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £23m and comprised purchases of £22m of eligible bank bills in band 1 (up to 14 days) at 12⅜ per cent and £1m in band 2 (15-33 days) at 12⅜ per cent. Further help in the morning came to £895m and comprised purchases of £44m of eligible bank bills in band 1 at 12⅜ per cent and in band 2 £29m of local authority bills and £10m of eligible bank bills at 12⅜ per cent. In band 3 (34-63 days) it bought £5m of Treasury bills, £13m of local authority bills and £58m of eligible bank bills, all at 12⅜ per cent.

It also arranged sale and repurchase agreements on £736m of bills at 12⅜ per cent, unwinding in equal amounts on July 11 and 16. The forecast was later revised to a shortage of around £1,100m before taking into account the morning help and the Bank provided further assistance in the afternoon of £167m, making a total of £1,085m. The afternoon help comprised purchases of £87m of eligible bank bills in band 1 at 12⅜ per cent, £60m in band 2 at 12⅜ per cent and in band 4 £15m of local authority bills and £5m of eligible bank bills at 12 per cent.

MONEY RATES

July 3	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight......	0.40-0.50	10¼	1⅞-2⅛	0¾-6⅛	0.10085	14¼-15⅛	0.60	—
One month	0.45-5.60	10⅛-10⅜	5⅛-0⅛	6⅛-6⅛	6.21875	14⅛-14⅛	9⅝-8⅞	—
Two months......	5.45-5.60	10¼-10⅝	—	—	—	—	—	—
Three months	0.60-5.05	10¼-10⅜	5⅛-5⅛	6⅝-0¾	6.28195	14⅜-15	8⅝ 8⅞	—
Six months......	5.05-0.70	10⅝-10⅛	—	6⅛-6⅛	—	—	8¾-9	—
Lombard......	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	0⅝	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

July 3 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight......	—	11—13¼	12⅞	12⅛—13	12⅛-13¼	—	—	—	—	—
2 days notice..	—	—	12¾—13⅞	—	—	—	—	—	—	—
7 days or......	—	—	—	—	—	—	—	—	—	—
7 days notice ..	—	12¾-12⅞	12¾	13	12⅛—12⅜	—	—	—	—	—
One month	12⅛-12⅜	12⅛-12⅜	12⅜	12⅞-13	12⅛	12⅛	12⅜	12⅜	12⅜	12⅜
Two months......	12⅛ 12⅛	12⅛-12⅜	12⅝	12⅞	12¼	12⅛	12	12⅛	12⅛	12¼
Three months..	12⅛ 12⅝	12⅛-12⅝	12⅛	12¾	12⅛	12	11⅞	12	11⅞	12⅝
Six months......	12⅛-11⅞	12¼ 12⅜	12¼	—	—	—	—	11⅞	11⅞	12⅛
Nine months ..	11⅞-11⅞	12⅛-12¼	—	—	—	—	—	—	—	—
One year......	11⅞-11⅞	12-12⅛	12	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month......	13⅛-12⅞	—	12¾	7.6-7.6	7¾-8	9⅛-9⅜
Two months	13-12⅝	—	12⅝	7.6-7.6	7¾ 8	9⅛-9⅛
Three months......	12⅞-12⅝	—	12⅛	7.5-7.6	7⅛-8⅛	9⅛ 9⅛
Six months......	12⅝-12⅜	—	12⅝	7.65-7.75	7⅞ 8⅛	9⅛ 9⅛
Nine months......	12⅛-12⅛	—	12⅛	7 9-8.0	—	—
One year	12⅝-12⅛	—	12⅛	8.05 8.15	8⅛ 8⅝	9⅝ 9⅛
Two years	—	11⅝	—	—	—	—
Three years......	—	11⅛	—	—	—	—
Four years......	—	11⅛	—	—	—	—
Five years......	—	11⅛	—	—	—	—

ECGD Fixed Rate Finance IV: Average Rate of Interest period June 5 to July 2 (inclusive): 12 535 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13 per cent from July 1, 1985. London and Scottish Clearing Bank Rates for lending 12½ per cent. Bank Deposit Rates for sums at seven days' notice 8 66-6.75 per cent (net). Treasury Bills: Average tender rate of discount 11.9658 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 12¼ per cent; one-three months 12½ per cent; three-six months 12¼ per cent; six-nine months 12 per cent; nine-12 months 12 per cent. Under £10,000 11¼ per cent from June 4. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent

FT LONDON INTERBANK FIXING

(11.00 a.m. July 3)

3 months U.S. dollars	
bid 7 5/8	offer 7 7/8

6 months U.S. dollars	
bid 7 7/8	offer 8

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	8½-8¾
Fed funds	8
Fed funds at intervention ...	—

Treasury Bills

One month	6.72
Two month	6.77
Three month	6.98
Six month	7.05
One year	7.18

Treasury Bonds

Two year	99⅞
Three year	102⅞
Four year	100⅞
Five year	101
Seven year	101⅞
10 year	106⅛
30 year	107⅞

FINANCIAL FUTURES

Gilts easier

Gilt prices were a little lower in the London International Financial Futures Exchange yesterday as traders adjusted positions following proposals to exempt gilt stocks from capital gains tax. Heavy buying on Tuesday was reversed yesterday with persistent selling by jobbers highlighting the market's difficulty in assessing the longer term implications of the announcement. The September gilt opened at 110-23 down from 110-25 and fell sharply to a low of 110-08 before recovering a little towards the close to 110-12.

Euro-dollar prices experienced a rather lacklustre day ahead of today's holiday in the U.S., finishing slightly up from Tuesday. Sentiment was aided by a stronger movement overnight from Chicago but in the absence of any significant moves in the cash market, trading was confined to a little book squaring ahead of what is seen as a long weekend. However underlying sentiment remained bullish, helped by a downward revision in the initial durable goods orders figure to a rise of 3.2 per cent from 4.1 per cent and the inclusion in a 2.1 per cent rise in factory goods orders of a significant defence spending component.

Trading in three-month sterling was very quiet with values finishing mostly unchanged from Tuesday. Cash markets were unchanged while sterling remained steady ahead of today's Opec meeting and next week's UK money supply figures.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Sept	92.12	92.14	92.07	92.08
Dec	91.68	91.68	91.62	91.60
March	91.27	91.27	91.22	91.18
June	90.92	90.90	90.87	90.82
Sept	90.63	90.56	90.65	90.52

Estimated volume 2,871 (4,311)
Previous day's open int 18,399 (18,219)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
Sept	88.11	88.15	88.10	88.11
Dec	88.69	88.74	88.68	88.68
March	88.78	88.82	88.82	88.77
June	88.97	89.00	89.00	88.89
Sept	89.10	—	—	88.99

Estimated volume 459 (837)
Previous day's open int 6,010 (6,007)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Sept	110-12	110-23	110-08	110-25
Dec	110-27	—	—	111-08
March	111-03	—	—	111-18

Estimated volume 2,094 (2,123)
Previous day's open int 3,160 (3,170)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) −25 to −15 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.2985	1.2995	1.2935	1.2910
Dec	1.2850	—	—	1.2780
March	1.2765	1.2765	1.2737	1.2690

Estimated volume 105 (133)
Previous day's open int 4,726 (4,732)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3311	0.3312	0.3300	0.3296
Dec	0.3333	—	—	0.3328

Estimated volume 12 (8)
Previous day's open int 248 (249)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.3956	—	—	0.3944

Estimated volume nil (1)
Previous day's open int 182 (182)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4043	0.4043	0.4040	0.4038

Estimated volume 2 (nil)
Previous day's open int 166 (165)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Sept	124.70	125.20	124.35	125.70
Dec	125.30	—	—	126.30

Estimated volume 426 (302)
Previous day's open int 1,453 (1,444)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Sept	77-17	77-23	77-11	77-15
Dec	76-16	76-19	76-09	76-15
March	75-13	—	—	75-15

Estimated volume 889 (1,556)
Previous day's open int 2,473 (2,599)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	77-18	77-23	77-14	77-10
Dec	76-15	76-23	76-14	76-09
March	75-14	75-21	75-14	75-09
June	74-15	74-20	74-15	74-11
Sept	73-18	73-24	73-18	73-14
Dec	—	—	—	72-19
March	—	—	—	71-26
June	—	—	—	77-02
Sept	—	—	—	—
Dec	—	—	—	69-24
March	—	—	—	69-06

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.98	93.03	92.93	92.92
Dec	92.65	92.70	92.61	92.59
March	92.30	92.33	92.30	92.24
June	91.99	92.00	91.99	91.93
Sept	91.74	91.74	—	91.67
Dec	91.50	91.51	91.50	91.44
March	91.13	91.31	—	91.24
June	91.10	91.19	—	91.05

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.42	92.42	92.41	92.38
Dec	92.00	92.00	91.98	91.92
March	—	—	—	91.49
June	—	—	—	91.19

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	92.11	92.14	92.07	92.05
Dec	91.68	91.69	91.64	91.60
March	91.28	91.27	91.23	91.19
June	90.90	90.91	90.86	90.82
Sept	90.60	90.60	90.57	90.51
Dec	90.30	90.30	90.29	90.22
March	90.03	90.03	—	89.95
June	89.75	89.75	—	89.70

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Sept	1.2975	1.2995	1.2930	1.2950
Dec	1.2880	1.2875	1.2815	1.2830
March	1.2780	1.2810	1.2790	1.2750
June	1.2780	1.2780	1.2750	1.2710
Sept	—	—	—	1.2505

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	75-31	76-06	75-31	76-28
Dec	75-04	75-07	75-04	75-00
March	—	—	—	—
June	74-03	74-03	74-03	73-29
Sept	—	—	—	73-17

LIFFE OPTIONS REPORT

Sterling Currency—£25,000 c per £

Record open interest achieved as traded volume also showed solid sudden in steady market conditions.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
820	385	2795	1772

Eurodollar Future—points of 100%

Record trading volume established against very quiet cash market conditions.

Est volume Calls	Est volume Puts	Previous day's open interest Calls	Previous day's open interest Puts
280	305	272	196

For full details of settlement prices call Louise Powell at LIFFE on 01-623 0444.

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LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	Low	Stock	Price £	+ or -	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99	97¼	Treas 8¾pcCnv '85	99	+	8.82	12.68
101	99	Exch. 12¼pc 1985	99	...	12.25	12.11
101	99	Exch. 11½pc '86	99⅞	...	11.76	11.85
99½	97	Treas. 10pcCnv 1986	98⅝	...	10.14	11.81
94⅞	92¾	Treas 3pc 1986	94	+	[illegible]	9.60
100	97½	Exch. 10½pc Cv '86	99½	...	[illegible]	11.51
101⅞	99¼	Treas 12pc 1986	100½	...	[illegible]	11.38
97	94¾	Treas 8½pc 1984-86‡‡	97 xd	+	[illegible]	11.12
105	102	Exch. 14pc 1986	102	...	[illegible]	11.45
93¼	87¾	Exch. 2½pc 1986	93¼	+	[illegible]	7.81
104	101¼	Exch. 13¼pc 1987	102 xd	...	[illegible]	11.44
99½	96⅝	Treas 10¼pcCv '87	98	...	[illegible]	11.40
91	85½	Exch 2½pc 1987	91	+	[illegible]	8.34
99	96¼	Exch. 10½pc 1987	98⅝	...	[illegible]	11.34
93¼	89	Funding 6½pc '85-87‡‡	93¼	+⅛	[illegible]	10.72
98½	95½	Treas. 10pc 1987	97	...	[illegible]	11.34
90¾	84¼	Treas 3pc 1987	90¼ xd	+	[illegible]	8.41
102	99¼	Treas. 12pc 1987	101	...	[illegible]	11.29
93½	90¼	Treas 7¾pc 1985-88‡‡	93 xd	+	8.32	10.86
98⅞	95½	Exch 10½pc '88	98	-	10.68	11.19
96	93¼	Treas 9¾pc Cv '88	96	-	10.14	11.32
86½	80	Transport 3pc '78-88	86½ xd	+	3.48	8.33
95½	91½	Treas. 9½pc '88	95⅛	+	9.99	11.28
101⅛	97½	Treas 11½pc 1989	100	-¼	11.45	11.33
95	90¾	Treas 9½pc Cnv. '89	94½	...	10.05	11.30
80¼	79	Treas 3pc 1989	80⅞	+⅛	3.75	9.33
98½	94	Treas 10½pc 1989	97	-	10.77	11.31
96	92	Exch 10pc 1989	95¼ xd	...	10.43	11.31
99	95	Exch 11pc 1989	98	...	11.13	11.32
84⅛	79	Treas 5pc 1986-89	84½	+⅛	5.94	9.51
107½	103	Treas 13pc 1990‡‡	206 xd	-	12.20	11.11

Five to Fifteen Years

Over Fifteen Years

Undated

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INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
104	79	Marley	79	−2	3.75	2.2	6.8	9.6
107	52	Marling Ind. 10p	91	.....	td3.0	5.6	2.0	10.7
74	36	Marshall L'ay. 'A'	60	.....	2.4	4.9	5.7	4.3
77	61	Marshall's Universal	64	.....	2.0	1.4	4.5	(20.3)
86	78	Do. 7½pcCalledPf £1	81xd	.....	7½%	—	13.2	—
22	22	Martin-Black	22φ	.....	—	—	—	—
£97	£81	Mathesons 7¼%	695	.....	Q7¼%	2.3	f8.5	—
35	26	Maxiprint 1p	31	+1	—	—	—	—
477	375	Metal Box £1	457	−3	17.25	3.1	5.4	6.9
170	136	Metal Closures	137	−2	6.7	2.0	7.0	0.6
17	9	Metal Sciences 7½p	11	.....	—	—	—	—
104	73	Midland Marts	80xd	+2	4.0	φ	7.1	φ
83½	68	Mitchell Cotts	68½	.....	t4.0	1.5	8.3	9.8
290	182	Morgan Crucible	204	+3	8.0	1.6	5.6	14.2
32½	22	Morris (W) F.A. 20p	31	+1	g0.5	φ	2.3	φ
110	91	Moss (Robt.) 10p	94	+1	3.0	2.5	4.6	10.4
81	63	Myson Grp 10p	70	.....	g2.5	3.4	5.1	13.3
328	214	NMW Computers	260	−5	h4.8	2.7	2.6	20.0
43	28	Nash Inds.	28	.....	42.5	1.5	‡	6.4
48	20	Neil & Spencer 10p	20	.....	—	—	—	6.0
44	14½	Newman Inds 10p	34	.....	—	—	—	(16.1)
44	19½	Do. 10pc Cm.Cnv.Pf.	39½	.....	10%	—	4.3	—
35	43	Nolton	90	.....	g1.1	4.5	3.1	8.4
183	146	Norcros	164	.....	8.6	2.2	7.0	8.2
67	50	Nu-Swift 5p	56	+1	3.0	1.6	7.7	10.7
111	68	Oakwood Grp	95	−8	td4.5	1.4	6.9	(13.7)
230	150	Office & Elect	220	+2	7.5	2.4	4.9	12.1
108	77	Oldacre 20p	78	.....	04.0	2.6	7.3	6.9
58	37	Optometrics $0.01	46	.....	ud02c	—	3.4	48.9

LEISURE—Continued

1985 High	Low	Stock	Price
283	228	First Leisure £1	[illegible]
69	51	GRA Group 5p	[illegible]
32	26	Grampian TVA 10p	[illegible]
145	117	HTV Non/Vtg.	[illegible]
148	100	Horizon	[illegible]
184	90	Insight	[illegible]
134	102	Intasun 10p	[illegible]
33	5	Intervsn Video 10p	[illegible]
252	178	Juliana's Hldgs 2p	[illegible]
268	217	LWT	[illegible]
65	55	Leisuretime Int 10p	[illegible]
162	146	Magnt. Aq. M. 10p	[illegible]
183	155	Media Tech Int 20p	[illegible]
200	124	Medminster 10p	[illegible]
280	175	Miss World 10p	[illegible]
127½	74	Nationwide Leisure	[illegible]
39	15	Nimslo Int 20c	[illegible]
24¾	19½	Owners Abroad	[illegible]
53	38	Photax (Lon.)	[illegible]
24¾	21½	P'dilly Radio NV 5p	[illegible]
90	30	Pineapple Dnc St 10p	[illegible]
232	183	Pleasurama 5p	[illegible]
119	109	Do. 7pcCvCumRedPf	[illegible]
96	77½	Pres Entertain 50p	[illegible]
65	28	Radio City 'A' NV	[illegible]
55	42	Radio Clyde N/V	[illegible]
63	37	Riley Leisure 10p	[illegible]
193	143	Saga Hols. 20p	[illegible]
£11¼	540	Samuelson Grp £1	[illegible]

MINES—Continued

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
350	150	Centennial Min'ls.	142	...	—	—	—
120	70	Colby Res Corp.	85	.	—	—	—
550	450	Cons. Murch. 10c	475	....	tQ100c	1.4	8.3
40	28	Ennex Int. Ir10p	29	+1	—	—	—
215	125	Hampton Areas 10p	125	...	3.75	φ	4.1
260	140	Highwood Res.	140	−5	—	—	—
£22½	£17⅞	Homestake Mining $1	£17⅞	.	Q20c	—	1.2
310	198	McFinley Red Lake	225	+15	—	—	—
300	195	Mustn Explorations	250	...	—	—	—
55	23	New Sabina Res C$1	47	+2	—	—	—
375	255	Northgate C$1	255	....	—	—	—
685	550	RTZ	550	−5	20.7	2.7	1.2
£145½	£122	Do. 9½pcLn '95-2000	£122½	..	Q9½%	14.0	7.8
£14⅛	£10	Tara Expln $1	£10¼	...	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- + USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‖ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- φ Not comparable.
- ▲ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Stock	Price	+ or −
Albany Inv 20p	100	..
Craig & Rose £1	700xd	.
Finlay Pkg 5p	61	
Higsons Brew	228	
Holt (Jos) 25p	720	−10
IoM Stm £1	80	.
IRISH		
Fund 11¾% 1988	£98⅝	+⅛
Nat 9¾% 84/89	£94xd	+1
Fin 13% 97/02	£104¼	
Arnott	165	....
CPI Hldgs	56	+6
Carroll Inds	129xd	+1
Dublin Gas	53	....
Hall (R. & H.)	55	....
Heiton Hldgs.	15	.
Irish Ropes	46	
Jacob (W & R)	80	
Unidare	87	.

"Recent Issues" and "Rights" Page 42

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LONDON STOCK EXCHANGE

MARKET REPORT

Confidence hit by STC reminder of problems within UK electronic sector

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
June 17	June 27	June 28	July 8
July 1	July 11	July 12	July 22
July 15	July 25	July 26	Aug 5

* "New-time" dealings may take place from 9.30 am two business days earlier.

Further reminders of the problems within the electronics industry dealt London equity market confidence another blow yesterday. The gains established over the two previous trading sessions were wiped out and the FT Ordinary share Index fell away to close 12 down at 942.3.

A warning from STC that first-half operating profits would be "very much lower" than the corresponding half of 1984 triggered the latest attack on electrical issues. The proposal to maintain the latest attack on maintain the interim dividend payment failed to staunch selling of STC, down 26 at a year's low of 112p, or any other stock in the sectord. Thorn EMI, which is due to announce full-year results tomorrow, were particularly vulnerable and dropped 31 more to 329p, after 325p.

Comment on GEC's lacklustre performance, reported on Tuesday, was acompanied by a report that the sector leader was about to initiate another share buying-in programme. The latter prospect gave GEC early stability but, in the absence of support from the broking house mentioned in the report, the company's shares weakened sharply.

Uncertaintya head of tomorrow's meeting of Opec ministers added to the market's overall mood of depression, although sterling moved to its highest rate for nearly a year against the dollar and reached even better levels over Continental currencies. The situation regarding Hanson Trust new nil-paid shares was also unsettling. Applications for more than 50 per cent of this £519m issue would be considered satisfactory after English China Clay's recent experience.

Government securities continued the process of adjusting to the Chancellor's unexpected decision to abolish Capital Gains Tax, announced late the previous day. Fresh switching to low-coupon issues, at the expense of high-coupon stocks, brought further rises in the former ranging to ½; these contrasted with falls of that amount among the latter. Index-linked Gilts lost most of Tuesday's late gains to close ½ down in places.

Clearers below best

Clearing banks provided one of the few firm areas of an otherwise dull market as a broker's recommendation generated renewed demand which found the market short of stock. Although the best levels were not held, NatWest still closed 11 dearer at 673p, after 675p, while Lloyds ended the same amount better at 398p, after 400p. Barclays touched 395p before closing only a penny up on balance at 388p. Sympathetic gains of 4 and 5 respectively were recorded in Royal Bank of Scotland, 270p, and Bank of Scotland, 380p. Elsewhere, Standard Chartered moved up 10 to 488p, after 493p. Among merchant banks, Mercury Securities improved 15 to 430p.

Sentiment in Lloyds Brokers remained clouded by the PCW affair. Minet lost 4 to a 1985 low of 162p and Sedgwick softened a penny to 352p.

Leading Breweries, relatively firm on Tuesday following publication of the May beer production figures, failed to attract follow-through support and generally finished with modest losses. Regionals traded similarly, although late interest was noted for Llanelli-based Buckleys which hardened a couple of pence to a 1985 peak of 58p amid rumours that Mr Nazmu Virani, who already controls Scotland's Belhaven, is currently conducting a stakebuilding operation. Elsewhere, Arthur Bell eased 3 more to 230p—only 9 above the share-exchange bid from hostile bidders Guinness. Distillers, scheduled to reveal preliminary figures during the next Account, slipped 2 to 296p.

Building issues drifted easier on lack of support. Blue Circle closed 5 cheaper at 510p, while falls of 4 were recorded in Costain, 396p, and French Kier, 179p. Selling by holders tired of awaiting details of the recently anounced bid approach left Vectis 5 cheaper at 54p.

Laporte, up 16 at 306p, on the company's statement regarding a breakthrough in the prevention of Legionnaires Disease, provided a bright feature in an otherwise subdued Chemical sector. ICI moved down 11 to 746p, but revived speculative interest took Yorkshire up 4 to 66p.

For the second consecutive session investors displayed little enthusiasm for leading Stores. Movements were consequently restricted to a coupse of pence either way. British Home, 279p in the early business, settled a net penny off at 277p following the annual meeting. Debenhams hardened 2 to 358p awaiting developments in the current takeover saga; bidders Burton closed unchanged at 446p, after 442p.

Electricals flat

STC's profits warning aroused nervousness awaiting tomorrow's preliminary statement from Thorn EMI and prompted fresh selling of the beleaguered Electrical leaders. Racal, which sounded a profits warning a week or so ago, fell 6 further to 126p, after 124p, while Plessey dropped the same amount to 118p. GEC fell 8 to 158p, after 156p, following comment on the results; a planned purchase by GEC of 5m of its own shares at 166p was to have been postponed. British Telecom slipped 3 to 167p and Cable and Wireless gave up 10 at 540p, after 530p. Elsewhere, takeover favourite United Scientific dropped 11 to 167p and Bowthorpe 10 to 315p. Lee Refrigeration, on the other hand, jumped 18 to 253p following speculation in the wake of the tragic death of director, Mr David Purley. MicroFocus rallied 30 more to 225p in a thin market, while Microfilm Rep regained 20 to 310p.

Engineers passed a subdued trading session. Among the leaders, falls were usually limited to a few pence, but scattered offerings left Hawker 12 cheaper at 399p. Vosper rallied 10 to 200p, after the previous day's setback on poor results and the warning of a further loss in the current first-half. Dealings resumed in John Brown following the refinancing agreement with Trafalgar House and the shares improved to 37p, compared with the suspension price of 32p, before closing at 33p.

Foods mirrored the quietly dull trend. J. Sainsbury gave up 6 to 302p and Associated Dairies dropped 4 to 142p. Among manufacturers, Cadbury Schweppes lost 3 to 157p and Tate and Lyle softened 5 at 463p. Maynards, recently supported on talk of a bid from Ward White, cheapened 5 to 340p on profit-taking.

Hotels were featured by Grand Metropolitan which jumped 10 to 295p following favourable reports emanating from a lunch with stockbrokers Wood Mackenzie. Norfolk Capital cheapened 1½ to 21½ after the interim statement.

Cole Group up late

Cole Group featured late, rising 21 to 205p in response to the bid from Hartons Group. Elsewhere is the miscellaneous industrial sector, Pentland reacted 35 to 900 following the annual meeting, but Wedgwood, reflecting satisfaction with the preliminary statement, closed 3 firmer at 219p, after 221p. A flurry of speculative activity left TSL Thermal Syndicate 15 up at 260p, while Valor closed a shade dearer at 182p after the annual report. Sutcliffe Speakman fell 4 to 34p on the annual loss and passing of the dividend, but favourable Press mention prompted a rise of a couple of pence to 77p in United Parcels. Nervous selling left Star Computer 5 cheaper at 48p. Other dull spots included Foseco, down 9 at 213p, Vinten, 8 off at 106p, and Reuters B, a like amount lower at 316p. Reed International resisted the downward trend closing 10 to the good at 622p. On the other hand, occasional selling left BTR 13 lower at 343p, while Beecham gave up 8 at 316p and Pilkington Bros, 9 at 266p.

Motors usually held close to their overnight positions. Jaguar, down to 266p in initial trading, rallied to finish 4 up on balance at 271p reflecting the encouraging tenor of the latest mid-term production report. Among Components, AE hardened a couple of pence to 138p, but Lucas Industries, which recently completed a successful vendor placing to finance the acquisition of Duralith of the U.S., eased a few pence to 311p. In Distributors, revived support was noted for C. D. Bramall, finally 5 up at 168p, but Lex Service, unsettled by the current problems of the Electrical sector, fell 13 to 177p; the latter's interim results are scheduled for July 26.

Advertising agencies were marked slightly lower. Recent takeover favourite Wight Collins Rutherford Scott eased a few pence to 345p, while Geers Gross shed a similar amount to 65p. Saatchi and Saatchi finished 25 cheaper at 665p.

Interest in the Property leaders remained at a low ebb. Land Securities drifted down 3 to 266p as did MEPC to 270p. Elsewhere, Towngrade closed a penny dearer at 38p on news of the bid approach from Milbank Developments. Regentcrest touched 30p on further consideration of the offer from Messrs R. and D. Richardson before reacting to finish a penny lower on balance at 28½p.

An otherwise uneventful session in Textiles was enlivened by Lister which attracted a lively business and touched 60p before settling a net 8 to the good at 57p amid strong rumours that ICI is about to dispose of its near-20 per cent stake.

Oils lose ground

The Oils sector was disturbed by reports that most of the OPEC oil ministers have agreed in principle to a light crude price cut of $1 to $1.50 a barrel prior to Friday's official meeting in Vienna. After an initial mark down the leaders suffered a brief flurry of selling pressure but thereafter moved narrowly and in some cases edged off their lowest levels. Shell dipped to 698p prior to ending the day a net 10 easier at 700p while BP gave up 5 to 520p. Falls of around 8 were common to Britoil, 208p, and LASMO, 250p. Most of the second-line issues remained under pressure. Falcon Resources continued to attract a good two-way trade and settled a net 5 off at 60p. Bryson Oil & Gas eased 2 to 45p. Energy Capital initially improved to 74p, amid talk of imminent takeover developments involving Petrogen, but eased late to close only 2 firmer on balance at 70p; Petrogen were a shade easier at 47p.

Golds steadier

Bullion appeared to have found a support level around $309 and edged higher to close a net $1.5 firmer at $310.5 an ounce. This gave a measure of support to a recently depressed mining market. South African Golds staged a minor rally after five days of hefty losses, with the leading issues particularly in demand from overseas traders. Buying, although generally selective, was evident in Driefontein, which improved ½ to £18½, Randfontein, finally ¾ up at £73½ and Southvaal which added a like amount to £30½. President Brand and President Steyn featured with gains of ½ apiece at £18½ and £18⅝ respectively. Cheaper priced Golds, on the other hand, continued to lack confidence with Welkom closing 14 down at 572p, Hartebeest 10 easier at a year's low of 361p and South African Land 11 off at 191p. Posting its first improvement in six trading days the Gold Mines Index managed a 0.3 rise at 407.2.

Financials fared less well. Among the South African sector "Amgold" retreated almost £3 to a 1985 low-point of £64½. Gencor rallied to close ½ firmer at £11¾ while "Amcoal" remained a Johannesburg favourite and put on ½ more to £20¾.

UK-domiciled issues Consolidated Gold Fields ran back 4 more to 498p, RTZ 5 to 550p and Charter Consolidated 2 to 178p.

Platinums continued to drift easier on lack of interest, Rustenburg gave up 7 to 600p and Impala slipped back a few pence to a year's low of 710p.

A firm showing by overnight Sydney and Melbourne markets encouraged a flurry of support for Australians at the outset. This quickly petered out, however, and the sector ended the day with only modest gains on balance.

Gem Exploration continued to feature in the exploration issues with the shares advancing 8 more to 94p, after a record 98p.

Sharply increased demand for both calls and puts boosted total contracts done in Traded Options to 9,305. Much of the session's activity centred on Electricals: GEC attracted 1,067 calls and 559 puts with the July 160's accounting for 428 and 288 trades respectively. Racal recorded 894 calls, the majority of which were struck in the August 140's. Put trading was dominated by Hanson Trust which attracted 1,118 contracts, the March 200's and September 195's both contributing over 500 trades.

FINANCIAL TIMES STOCK INDICES

	July 3	July 2	July 1	June 28	June 27	June 26	year ago
Government Secs.	82.03	81.96	81.92	81.70	81.86	81.81	78.22
Fixed Interest	86.78	86.74	86.67	86.38	86.42	86.37	89.38
Ordinary	942.3	954.3	939.3	938.0	933.9	935.5	834.1
Gold Mines	407.2	406.9	420.8	436.1	439.8	439.0	599.0
Ord. Div. Yield	4.91	4.83	4.87	4.93	4.93	4.93	4.77
Earnings, Yld.% (full)	12.91	12.17	12.20	12.36	12.41	12.36	11.07
P/E Ratio (net) (*)	9.98	10.04	10.01	9.96	9.94	9.98	10.66
Total bargains (Est.)	20,099	21,098	29,190	23,628	21,236	21,762	18,356
Equity turnover £m.	—	338.78	828.20	370.20	400.58	374.80	251.28
Equity bargains	—	19,108	20,218	20,165	18,762	17,707	13,799
Shares traded (ml)	—	219.5	184.1	211.9	209.3	209.3	168.4

10 am 952.1. 11 am 947.1. Noon 943.4. 1 pm 942.5. 2 pm 941.2. 3 pm 940.8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 9.60.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low		July 2	July 1
					Daily Gilt Edged Bargains	188.5	112.3
Govt. Secs.	82.17 (19/6)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)	Equities Bargains	123.8	131.0
Fixed Int.	86.78 (3/7)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)	Value	727.2	583.3
					3 day Average Gilt Edged Bargains	117.9	118.7
Ordinary	1024.5 (22/1)	928.7 (3/1)	1024.5 (22/1/85)	49.4 (26/6/40)	Equities		
Gold Mines	530.8 (15/4)	406.9 (2/7)	734.7 (15/2/83)	43.5 (26/10/71)	Bargains	184.5	136.7
					Value	725.1	753.4

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Salvesen (C.)	18	115	—
Hanson Trust	17	½pm	−1½
Reed Intl.	17	612	+19
ICI	15	757	+5
Glaxo	14	£12½	+½
Pentland Inds	13	935	+3
Taylor W'drow†	12	30pm	+17
Beecham	11	323	+3
GEC	11	166	—
LASMO	11	258	+13
Pilkington Br.	11	275	+3
STC	11	138	+2
Thorn EMI	11	360	−7
Vickers	11	287	+2

† Nil-paid

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (29)

[illegible]

NEW LOWS (76)

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed July 3 1985

[illegible]

FIXED INTEREST

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 28,430

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ▮ Allotment letters or fully paid. ‖‖ Introduction. ✱ Unlisted Securities Market. § Placing price. ‡‡ Dealt in under Rule 535 (3).

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 24	July 5	Sept 26	Oct 7
July 8	July 19	Oct 10	Oct 21
July 22	Aug 2	Oct 24	Nov 4

For rate indications see end of Share Information Service

Stocks favoured for the call included Southwest Resources, Flextech, Falcon Resources, Polly Peck, Bristol Channel Ship Repairers, Norton Opex, Flogas, A. F. Bulgin, Aspinall, I. J. Dewhirst, STC, Widney, Racal, Gestetner A, Johnson and Firth Brown and Habit Precision Engineering. Put options were done in Phoenix Timber and Howard Machinery. No doubles were reported.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	30	52	25
Corpns., Dom. and Foreign Bonds	13	3	61
Industrials	194	368	900
Financial & Props.	70	100	383
Oils	13	40	74
Plantations	1	4	11
Mines	38	45	96
Others	62	71	102
Totals	421	686	1,652

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Abbey Life	228	—
Brown (John)	33	+1
Commercial Union	203	+1
GEC	158	−8
Valor	57	+8
Midland Bank	380	—
NatWest Bank	673	+11
STC	112	−26
Saatchi and Saatchi	665	−25
Shell Transport	700	−10
Sun Life	817	+4
Thorn EMI	329	−31

WORLD STOCK MARKETS

AUSTRIA

July 3	Price Sch%	+ or −
Creditanstalt	376	.....
Goesser	520	.....
Interunfall	1,900	−20
Laenderbank	365	.....
Perlmooser	525	+25
Steyr-Daimler	197	+18
Veitscher Mag	605	+10

BELGIUM/LUXEMBOURG

July 3	Price Frs.	+ or −
B.B.L.	2,010	−5
Banq. Gen Lux	6,300	.....
Banq. Int. A. Lux	6,020	.....
Bekaert B	6,900	.....
Ciment CBR	2,320	−23
Cockerill	280	+14
Delhaize	6,990	−200
EBES	2,985	+15
Electrobel	6,750	−100
Fabrique Nat	1,990	−10
GB Inno BM	3,700	+25
GBL (Brux)	1,883	+3
Gevaert	5,860	+3
Hoboken	6,600	−50
Intercom	2,230	+60
Kredietbank	8,800	−30
Pan Hldgs	10,600	.....
Petrofina	5,670	+40
Royale Belge	12,100	+100
Soc. Gen. Banq	3,330	−40
Soc. Gen. Belge	1,825	−5
Sofina	7,200	−70
Solvay	4,320	+20
Stanwick Intl	1,500	.....
Tractionel	3,755	−3
UCB	5,250	.....
Wagon Lits	6,365	+6

DENMARK

GERMANY

July 3	Price Dm.	+ or −
AEG-Telef	130.5	−0.8
Allianz Vers	1315	+10
BASF	226.8	+3.5
Bayer	234.8	+7
Bayer-Hypo	361	+4
Bayer-Verein	300	+9
BHF-Bank	347	−1
BMW	445	+5
Brown Boveri	257.6	+2.5
Commerzbank	221	+0.3
Cont'l. Gummi	164	+1.6
Daimler-Benz	897.5	+38.5
Degussa	388	+7
D'sche Babcock	137.5	+2.3
Deutsche Bank	588	+8
Dresdner Bank	268.8	+3.5
CHH	171.8	+1.6
Hochtief	540	+10
Hoechst	238.8	+3.5
Hoesch Werke	112	+2
Holzmann (P)	452	.....
Horten	189	+4
Hussel	208	+13
Karstadt	253	+80
Kaufhof	265.5	+10.6
KHD	286	+12
Kloeckner	69.5	+0.3
Linde	544	+2
Lufthansa	212	+0
MAN	179.5	+8.3
Mannesmann	196.7	+0.7
Mercedes Hld	798	+58
Metallgesel	284.3	+3.6
Munich Rueck	1,890	+50
Nixdorf	580	−41
Porsche	1,510	.....
Preussag	207	+1
Rhein West Elect	185	+1.5
Rosenthal	364	.....
Schering	504	+2
Siemens	570.3	+1
Thyssen	116.2	+1.7
Varta	033	+8

NORWAY

SPAIN

SWEDEN

ITALY

NETHERLANDS

SWITZERLAND

AUSTRALIA

FRANCE

AUSTRALIA (continued)

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Closing prices July 3

MONTREAL

Closing prices July 3

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

NEW YORK ACTIVE STOCKS

TORONTO

TORONTO	July 3	July 2	July 1	June 28	1985 High	1985 Low
Metals & Minls	1,875.1*	1,885.67	closed	1,897.7	2190.7 (13/2)	1896.8 (4/1)
Composite	2,724.6*	2,723.15	closed	2,712.5	2756.1 (5/6)	2348.5 (6/1)
MONTREAL Portfolio	133.13*	closed	132.32	131.75	135.56 (5/6)	117.00 (4/1)

* Indicates pre-close figure

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued from Page 35

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES		
Trs. 5pc 1986-89	£84¾	+⅜
Cole	205	+21
Gem Exp & Min	94	+8
Grand Metro	295	+10
Lec Refrig	253	+18
Lister	57	+8
Lloyds Bank	398	+11
Micro Focus	225	+30
NetWest Bank	673	+11
Reed Intl.	622	+10
TSL Thermal	260	+15
Vosper	200	+10

FALLS		
Trs. 15½ pc 1998	£132½	−¾
Trs. 2½ pc IL 2020	£92⅞	−½
BTR	343	−13
Britoil	208	−7
Burmah Oil	241	−7
Enterprise Oil	152	−6
Geers Gross	65	−6
GEC	158	−8
Hawker Siddeley	399	−12
ICI	746	−11
Lex Service	177	−13
Pentland Ind	900	−35
Plessey	118	−6
Racal Elect	128	−8
STC	112	−26
Thorn EMI	329	−31

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 35

هكذا من الأصل

NYSE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Ch'ge Prev. Close
[illegible]										
28	17¼	RsegelTl.60		8.2		27	22⅛	22	22	
33½	19¾	RiteAid .30		2.0	15	2419	25⅞	25¼	25¼	−⅜
7⅛	3⅝	RvrOk n			16	18	4¼	4⅛	4⅛	−⅛
36⅝	27¼	Robshwl.12		3.5	7	33	31⅞	31½	31⅝	
44½	26	Robtsn	1.60	5.8	16	126	27	26¾	27	+¾
24⅜	12	Robins				66	17½	17⅜	17½	
24⅜	13½	RochG	2.20	9.4	6	218	23½	23¼	23½	+⅛
39¾	27½	RochTl2.44		6.2	10	237	39¼	39	39⅛	−⅛
39⅛	27⅛	Rockwl1.12		3.0	10	1077	37¼	36⅞	37	
137	99	Rohm pf1.35		1.0		1	130½	130½	130½	−½
71½	46⅛	RohmH2.26		3.3	11	257	67	66¼	67	+⅜
50½	33⅝	Rohr In			16	23	60	55⅞	55½	−¼
25¾	12½	RolnCm.40		1.6	35	168	25⅜	25	25	−⅜
29⅜	6⅞	RolnE s.07e		.5	29	154	27¼	26¼	26¼	−⅞
12⅜	9⅛	Rollins	.48	4.4	10	302	10⅝	10⅜	10½	
4½	2	Ronson				15	2⅛	2	2	
19	12⅞	Roper	.64	4.3	17	36	14⅞	14⅜	14¾	+¼
37⅜	24	Rorer	1.12	3.1	10	426	36⅝	36⅜	36½	−⅛
13	7⅜	Rowan	.12	1.4	44	540	8⅝	8⅜	8⅜	−¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

Continued on Page 33

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET
Holiday mood offers distraction

THE PROSPECT of a fine July 4 holiday weekend began to be felt on Wall Street yesterday, *writes Terry Byland in New York.*

The bond market lay dormant with prices little changed from overnight as traders squared up positions that must hold in place, effectively, until Monday morning.

Turnover in the stock market was relatively low, and prices moved down after the car industry reported the expected downturn in June car sales.

At the close the Dow Jones industrial average was down 7.62 at 1,328.39.

Blue chips struggled to bold their lower levels, hut the hroad range of the market was held firm as a batcb of special situations kept traders busy.

Before returning from the boliday, Wall Street expects news from the meeting of Opec ministers, who are believed to have agreed to cut oil prices. The dip in June car sales, together with profits warnings from the tyre industry, provided a discouraging opening to the corporate profits season, which begins within a fortnight.

The continued sluggishness in world economies was reflected in the decision to omit the dividend at Amax, the mining and resources group, which slipped $¼ to $14½.

Car stocks gave ground as the industry reported the expected dip in last month's sales figures. General Motors fell $1¼ to $72¼, and Chrysler $¼ to $36⅞. At $45, Ford Motor shed $½, with investors also reacting to market suggestions that Ford might hid for Sperry, as a means of following General Motors into the high-technology field. Sperry, which has already failed to complete merger plans with Burroughs and ITT, added $¼ to $53½.

Goodyear Tire fell $⅞ to $28¾ after warning that profits could be down by 25 per cent in the second quarter.

IBM fell $¾ to $124, but selling was light. AT & T eased a further $⅛ to $23¾, while MCI Communications, the rival long-distance telephone operator which aims to link up with IBM, held steady at $10⅞.

It was a busy session for CBS, which jumped $2¼ to $119¾ as it commenced its plan to buy back 8.4m shares at $150. Wall Street expects the move to thwart Mr Ted Turner'a junk bond-financed hid, which he values at $175 but the Street values nearer $150. More than 1m CBS shares traded, with the price firm despite the board's warning of lower second-quarter profits, the sale of some assets and a downgrading of CBS debt by both major rating agencies.

There was little activity in oil stocks as investors waited for confirmation that Opec ministers have agreed to cut oil prices. Glohal Marine, the offshore contract driller which is suspending payments on its $1bn debt, dipped $⅜ to $1⅜.

American Hospital Supply eased $½ to $39⅝ as the market began to feel that the tussle with Baxter Travenol migbt benefit neither. Hospital Corporation of America, whose own planned merger with AHS seems stymied, beld steady at $48¼. Baxter Travenol at $15½ was also unchanged. Wall Street fears that, with no "white knight" on the borizon, all three companies may fail to accomplish their hid hopes.

TWA eased $⅛ to $19⅛ as the market assessed the background to Mr Carl Icahn's agreement with the Airline Pilots Association, whicb seems to clinch a hid to rival the $23 a share offer for TWA from Texas Air.

Bnt the prospect of further cuts in oil prices was good for other airline stocks. United gained $⅝ to $56⅝ and American $½ to $49. However, Texas Air slipped $½ to $18⅜.

Ingersoll Rand at $51 added $1¼, and other firm spots among the industrial stocks included Caterpillar Tractor, $½ up at $34⅝, and Litton Industries, $¼ up at $82¾.

But consumer issues were unsettled by the dip in car sales. Among the department stores, Sears was $⅛ off at $37½ and J.C. Penney $⅜ lower at $49⅝. The exceptions were in the toy stocks which continued to move up, led by Toys R Us, $½ better at $40⅛.

In the credit markets, demand for short-term money ahead of the weekend break pushed federal funds to 8⅛ and added 11 basis points to three-month Treasury bills. The bond market was quiet, and prices inclined easier.

TOKYO
Shipbuilding and steel are shunned

DESPITE a lack of fresh incentives that left trading dull in Tokyo yesterday, the Nikkei-Dow market average edged forward to an all-time high, *writes Shigeo Nishiwaki of Jiji Press.*

For most of the day, speculators traded actively in freely fluctuating secondary stocks but shied away from big-capital shares in the shipbuilding and steel sectors.

The Nikkei-Dow average managed to gain 10.55 to close at an all-time high of 12,924.30, compared with the previous high of 12,923.05 reached on Saturday. Trading remained light at 380m shares against Tuesday's 368m. Advances outnumbered declines by 436 to 371, with 135 issues unchanged.

Speculative interest centred on issues related to public works, car components and leisure goods, which firmed on a hroad front. But biotechnology-related sbares and other issues traded for quick profits lost ground.

In this end of the market, Ebara was traded most actively on news that it was developing a smoke exhaust desulphurising and denitrifying device. The stock topped the active list with 13.13m shares and gained Y15 to Y483.

Elsewhere, public works-related construction stocks gained ground on a wide front amid expectations of a government move to boost domestic demand in the immediate future.

Fujita, also actively traded, added Y15 to Y344. Wakachiku Construction rose Y15 to Y296 and Toa Harbor Works Y18 to Y287.

Car component issues continued to attract buyers on hopes of increased auto sales to the U.S. Mitsuboshi Belting put on Y26 to Y899, Topy Industries Y8 to Y308 and Toyoda Automatic Loom Works Y27 to Y777.

Tokyo Sanyo Electric, which ranked second most active list in the previous session, fell Y1 to Y725 on profit-taking. The recently favoured Toko Electric moved the maximum Y100 down to Y762.

The bond market fell back amid growing concern over the successive advances of recent days with beavy selling by some securities houses.

The yield on the benchmark 7.3 per cent government bond due in December 1993 remained unchanged at the previous day's low of 8.390 per cent.

SINGAPORE

VOLUME remained light in Singapore as most stocks continued to weaken throughout the day.

Speculative issues remained the only area of constant interest, but price movements were also small.

UOB managed to hold its ground for most of the day against beavy selling, although it eased late to close 2 cents lower at A$3.80, while other hanks were mixed with DBS down 10 cents to S$5.70 and OUB up 2 cents at S$2.89.

Industrials were generally weak. Cycle and Carriage fell 8 cents to S$3.30, Gentings 5 cents to S$5.75, while Fraser & Neave edged 5 cents higher to S$5.10.

SOUTH AFRICA

A RECOVERY developed in Johannesburg following Tuesday's fall, with gold shares showing a firmer tone througbout the session.

President Brand was prominent among heavyweight issues, firming R1 to R47, while among the cheaper issues Cons Modder added 25 cents to R12.70.

Mining financials and other mining issues were also supported, with Gencor up 20 cents to R29.80 and diamond stock De Beers up 10 cents to R10.40.

CANADA

SLUGGISH trading persisted in Toronto with share prices moving between narrow limits on low turnover.

Among active stocks, Inco traded up $⅛ to C$17⅜, Royal Bank C$¼ to C$30¾ and Canadian Imperial Bank C$⅛ to C$37, while Canadian Tire traded down C$⅛ at C$10¼.

Montreal edged forward with banks, industrials and utilities experiencing most support.

EUROPE
Foreigners lead way to new heights

A SURGE of foreign huying overwhelmed European bourses yesterday, boosting leading indices in Germany, the Netherlands and Switzerland to new heigbts.

The wave of buying in **Frankfurt** was only partly offset hy a small measure of profit-taking late in the session, but the mid-day calculation of the Commerzhank index registered a 29.8 jump to a new peak of 1,462.4.

Blue chips were the first to benefit. A firm financial sector saw Deutsche Bank put on DM 8 to DM 586 and Dresdner hit a 12-month peak with a DM 3.30 rally to DM 262.80 while Commerzbank's 50 pfg rise to DM 221 was sufficient to take it to its third consecutive 1985 higb this week.

Quality car maker Daimler won the laurels for the largest rise of the session with its DM 38.50 advance to DM 897.50. The group's share price started the week at DM 851 and has found steady support on speculation that a special centenary dividend will be paid in 1985.

Elsewhere, VW hit another year's high with a DM 2.50 rise to DM 338 as BMW moved DM 3 higher to close at DM 445, now firmly at the upper end of its recent trading range.

The hectic pace in chemicals was attributed by some hrokers to the relative underperformance of the sector recently. BASF, the most heavily traded-on sbare on the bourse in June, rose DM 5.30 to just below its 1985 high at DM 228.20, while Bayer, the second most active last month, picked up DM 7 to DM 234.80, a new higb for the year.

Hoechst, which is continuing its expansion in the U.S., added DM 5.30 to DM 232.80.

Stores, bubhling with optimism over lower interest rates, saw Karstadt bound ahead hy DM 20 to DM 253, a high for the year, while Kaufhof put on DM 10.50 to DM 256.50 and Horten contented itself with a DM 4 improvement to DM 189.

Bonds posted gains of up to 40 basis points as foreign investors made their presence felt. The Bundesbank sold DM 79.8m of paper after sales of DM 41.8m on Tuesday. Bond turnover for the first six months of this year hit a record level of DM 50.4bn while trading in equities also touched a high of DM 38.7bn.

The blistering pace continued in **Amsterdam** where the ANP-CBS General index hit its third consecutive record with a 1.0 gain to 218.1. German and Swiss buyers actively pursued banking, insurance and international issues.

Amro firmed Fl 1.70 to Fl 83.60, a high for the year, while ABN's Fl 1.50 advance to Fl 471 represented its third straight high for 1985 this week.

Other financials saw Nat-Ned put on Fl 1.80 to Fl 73 – another 12-month high – while Unilever settled at a new high with a Fl 3.50 rally to Fl 360.50.

Other internationals did not fare as well. Royal Dutch moved against the trend on profit-taking and reports of Opec price cutting with a Fl 2.20 fall to Fl 200.50, and Philips dipped 20 cents to Fl 53.20.

Bonds tended weaker wbere changed.

Scattered profit-taking developed in **Zurich** but proved insufficient and too isolated to dampen the overall tone of the session. The Swiss Bank Industrial index gained 3.1 points to 453.0, another record. German, UK, and U.S. investors underpinned the hroad advance although insurers and industrials incurred isolated setbacks.

Jacobs Suchard rose SwFr 100 to SwFr 6,600, another record for the year, while Nestlé added SwFr 55 to SwFr 8,385. Ciba-Geigy firmed SwFr 90 to SwFr 3,360 although Schindler dipped SwFr 20 to SwFr 910. Swissair also proved vulnerahle and retreated from the peak set on Monday with a SwFr 10 decline to SwFr 1,365.

Winterthur was buoyed hy SwFr 250 to SwFr 4,650 – a higb for 1985 – although Swiss Re lost strength displayed in the previous session with a SwFr 375 fall to SwFr 12,800.

Bonds remained anchored at recent levels.

The broad advance in **Milan** took the stock exchange index to a 1985 high with a 3.67 point gain to 338.28. Highlight of the session was BI-Invest, the bolding company of the Bonomi family, as the battle for control of the group intensified. BI-Invest traded a low as L6,800 but finished at L9,100, a rise of L1,170.

Fiat also featured with a L40 gain to L3,790, while Olivetti gained L220 to L6,150.

Brussels extended the gains of the previous session with beavy buying among utilities and holding companies. **Paris** and **Stockholm** encountered dull trading, while **Madrid** was led higher by a vibrant utilities sector.

LONDON
Electronics short-circuit confidence

INDICATIONS of more problems in the electronics industry further eroded confidence in equities trading in London yesterday and erased gains made during the previous two sessions.

The FT Ordinary share index closed down 12 at 942.3.

A warning from STC that first-half operating profits would be "very much lower" than for the corresponding term in 1984 triggered a fresh attack on electronics stocks.

The company's sbares dropped 26p to 112p, a low for the year, while Thorn EMI, which is due to announce annual results tomorrow, fell 31p to 329p after hitting a low of 325p.

Gilts continued to adjust to the Chancellor's unexpected decision to abolish capital gains tax on government securities. Fresh switching to low coupon issues, at the expense of high coupon stocks, brought further rises in the lows ranging up to ¾.

Chief price changes, Page 33, Details, Page 32; Share information service, Pages 30–31

AUSTRALIA

DEMAND for hlue-chip stocks strengthened sharply in Sydney, pushing the market to its highest level for almost a month.

Overseas buying, a shortage of scrip and indications that the Federal Government may back away from its hard line on tax reform encouraged the brighter mood.

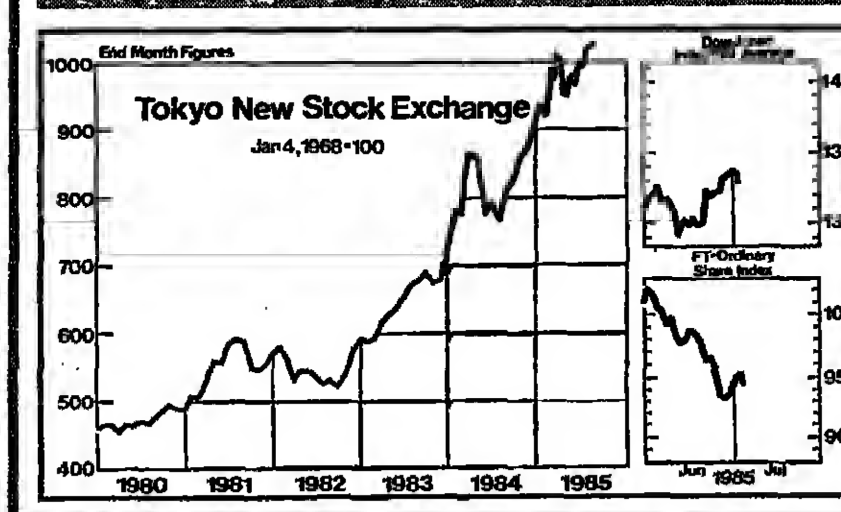
BHP led the rise, adding 6 cents to A$6.38 followed by CSR, up 5 cents to A$2.91, and Bougainville, up 6 cents to A$1.96.

HONG KONG

PROFIT-TAKING eroded early advances in Hong Kong, leaving most leading stocks marginally ahead on trading dominated by local investors.

Properties stocks were the strongest as prices recovered from recent heavy falls. Cheung Kong added 30 cents to HK$16.70, and Hongkong Land and Hongkong Wharf each firmed 10 cents to HK$5.75 and HK$6.25 respectively.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	July 3	Previous	Year ago
DJ Industrials	1,325.83*	1,334.01	1,134.28
DJ Transport	674.16*	673.81	479.42
DJ Utilities	164.96*	165.52	124.37
S&P Composite	191.41*	192.01	153.70
LONDON			
FT Ord	942.3	954.3	834.1
FT-SE 100	1,239.3	1,250.8	1,050.2
FT-A All-share	598.52	604.24	497.94
FT-A 500	691.85	659.85	540.87
FT Gold mines	407.2	406.9	599.9
FT-A Long gilt	10.56	10.56	11.03
TOKYO			
Nikkei-Dow	12,924.30	12,913.75	10,349.30
Tokyo SE	1,029.10	1,028.20	789.12
AUSTRALIA			
All Ord.	869.9	860.5	656.2
Metals & Mins.	510.4	505.3	419.0
AUSTRIA			
Credit Aktien	102.96	102.62	52.91
BELGIUM			
Belgian SE	2,333.91	2,321.77	—
CANADA	**July 2**	**Prev**	**Yr ago**
Toronto			
Metals & Minls	1,875.1 *	1,885.6	1,836.0
Composite	2,724.6 *	2,723.8	2,220.6
Montreal			
Portfolio	133.13*	133.03	106.27
DENMARK			
SE	200.86	n/a	181.53
FRANCE			
CAC Gen	223.5	224.7	170.4
Ind. Tendance	127.20	127.60	90.33
WEST GERMANY			
FAZ-Aktien	495.03	485.09	342.08
Commerzbank	1,462.4	1,432.6	967.9
HONG KONG			
Hang Seng	1,598.16	1,591.33	861.83
ITALY			
Banca Comm.	n/a	334.93	207.25
NETHERLANDS			
ANP-CBS Gen	218.1	217.1	157.2
ANP-CBS Ind	183.1	181.3	126.7
NORWAY			
Oslo SE	324.32	325.76	230.2
SINGAPORE			
Straits Times	765.17	767.20	894.98
SOUTH AFRICA			
JSE Golds	–	948.8	945.4
JSE Industrials	–	974.0	933.2
SPAIN			
Madrid SE	109.67	108.28	89.18
SWEDEN			
J & P	1,320.01	1,321.82	1,502.43
SWITZERLAND			
Swiss Bank Ind	453.0	449.9	361.1
WORLD	**July 2**	**Prev**	**Year ago**
Capital Int'l	215.5	216.1	174.3

GOLD (per ounce)

	July 3	Prev
London	$310.50	$309.00
Zürich	$310.75	$308.65
Paris (fixing)	$310.27	$312.63
Luxembourg	$310.25	$310.50
New York (Aug)	$311.40	$311.40

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	July 3	Previous	July 3	Previous
$	–	–	1.312	1.3045
DM	3.034	3.045	3.9825	3.9725
Yen	248.0	248.3	325.25	324.0
FFr	9.2375	9.27	12.11	12.085
SwFr	2.542	2.547	3.335	3.3225
Guilder	3.42	3.4315	4.4875	4.4775
Lira	1,931.25	1,941.0	2,533.0	2,530.0
BFr	61.15	61.3	80.1	80.0
C$	1.357	1.3575	1.78	1.77

INTEREST RATES

	July 3	Prev
Euro-currencies (3-month offered rate)		
£	12⅜	12⅜
SwFr	5 9/16	5⅝
DM	5½	5½
FFr	10 11/16	10½
FT London Interbank fixing (offered rate)		
3-month U.S.$	7⅞	7⅞
6-month U.S.$	8	8 1/16
U.S. Fed Funds	8¼*	8½
U.S. 3-month CDs	7.45*	7.50
U.S. 3-month T-bills	7.04*	8.95

U.S BONDS

Treasury	July 3* Price	July 3* Yield	Prev Price	Prev Yield
8½ 1987	99 29/32	8.94	99 24/32	8.64
10⅜ 1992	101 11/32	10.08	101 13/32	10.05
11¼ 1995	106 7/32	10.22	106 17/32	10.18
11½ 2015	107 9/32	10.447	107 19/32	10.44
Corporate	**July 3* Price**	**Yield**	**Prev Price**	**Yield**
AT & T				
10⅜ June 1990	101⅛	10.00	101⅛	10.00
3⅞ July 1990	80⅝	8.75	80⅝	8.75
8¾ May 2000	84⅝	10.90	84⅝	10.90
Xerox				
10⅞ March 1993	100½	10.60	100⅛	10.60
Diamond Shamrock				
10⅞ May 1993	100	10.65	100	10.65
Federated Dept Stores				
10⅞ May 2013	94¼	11.30	94¼	11.30
Abbot Lab				
11.80 Feb 2013	103⅜	11.35	103⅜	11.35
Alcoa				
12¼ Dec 2012	102⅞	11.90	102⅞	11.90

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Sept	77–08	77–23	77–08	77–10
U.S. Treasury Bills (IMM) $1m points of 100%				
Sept	92.94	93.03	92.90	92.93
Certificates of Deposit (IMM) $1m points of 100%				
Sept	92.35	92.44	92.35	92.35
LONDON				
Three-month Eurodollar $1m points of 100%				
Sept	92.12	92.14	92.07	92.06
20-year Notional Gilt £50,000 32nds of 100%				
Sept	110–12	110–23	110–08	110–25

COMMODITIES

(London)	July 3	Prev
Silver (spot fixing)	451.00p	456.45p
Copper (cash)	£1,083.50	£1,084.00
Coffee (July)	£1,796.50	£1,842.50
Oil (spot Arabian light)	$26.65	$26.55